Dangote Sugar Refinery Plc

Annual Report and Financial Statements

for the year ended December 31, 2023

Dangote Sugar Refinery Plc
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Index

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

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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
Non Executive Director	Hajiya Mariya Dangote
Director	Mr. Olakunle Alake
Director	Mr. Uzoma Nwankwo
Director	Ms. Bennedikter Molokwu
Director	Prof. Konyinsola Ajayi
Director	Alh. Abdu Dantata
Director	Ms. Maryam Bashir
Independent Director	Mrs. Yabawa Lawan Wabi
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 Keystone bank Limited Providus 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/The Company) are pleased to present this Report on the affairs of the Company and the Audited Financial Statements for the financial year ended 31st December, 2023.

1 Corporate structure and business History

Dangote Sugar Refinery PLC was established in 1999 and commenced its sugar business in the year 2000 as a division within the Dangote Group held through its holding company, Dangote Industries Limited (DIL). Following a strategic decision of DIL to unbundle its various operations, DSR was incorporated as a public limited liability company in 2005. The 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.

DSR was listed on the Nigerian Stock Exchange (now the Nigerian 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. The Company has approximately 103,243 Shareholders with a Shareholders' Fund of almost N80 Billion.

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. DSR has its Headquarters in Lagos, Nigeria and has an 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.

In line with the core objective of the National Sugar Master Plan which is for Nigeria to attain self-sufficiency in sugar production, Dangote Sugar is working on enhancing its existing refinery operations in Numan, Adamawa State, as well as developing its greenfield sites at the Nasarawa Sugar Company Project, amongst other sites. The Company intends to achieve 1.5MT annually from locally grown sugarcane.

Furthermore, upon completion of the ongoing refinery upgrade in Numan, this operation is anticipated to generate 32 megawatts of electricity through the installation of new turbines and 2 high-pressure boilers capable of producing 90 tonnes of steam per hour. Additionally, the company intends to produce ethanol and animal feed from by-products such as molasses and bagasse.

The benefits of the upgrading prospects of energy security improvement from ethanol derived from sugarcane, contribute to the reduction of greenhouse gas emissions as well as strengthen the capacity of sugar production to 9,800 metric tonnes per day.

On 29th June, 2023, Dangote Sugar (Ghana) LTD. was established in Ghana as a subsidiary of the Company in line with the mandate to expand the Company's presence and frontiers across Africa.

3 Share Capital Structure Since Incorporation

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

Year	Authorised (N)		Issued and fully paid (N)		Consideration		
Date	**Increase**	**Cumulative**	**increase**	**Cumulative**		**Cancelled**	**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	*(1,426,560,879.50)	6,073,439,121

4 Analysis of Shareholding as at 31st December 2023

Range (Units)			No of Holders	Holders %	Holders Cum	Units	Units%	Units Cum
1	-	500	12,017	11.64%	12,017	2,386,704	0.02%	2,386,704
501	-	1,000	22,731	22%	34,748	15,541,482	0.13%	17,928,186
1,001	-	5,000	43,177	42%	77,925	93,024,940	0.77%	110,953,126
5,001	-	10,000	10,131	10%	88,056	71,877,825	0.59%	182,830,951
10,001	-	50,000	11,461	11%	99,517	236,706,125	1.95%	419,537,076
50,001	-	100,000	1,842	2%	101,359	127,515,108	1.05%	547,052,184
100,001	-	500,000	1,453	1%	102,812	285,476,618	2.35%	832,528,802
500,001	-	1,000,000	185	0%	102,997	138,377,946	1.14%	970,906,748
1,000,001	-	5,000,000	173	0%	103,170	346,521,526	2.85%	1,317,428,274
5,000,001	-	10,000,000	32	0%	103,202	212,368,726	1.75%	1,529,797,000
10,000,001	-	50,000,000	28	0%	103,230	605,894,975	4.99%	2,135,691,975
50.000.001	-	100.000.000	7	0%	103.237	585.062.277	4.82%	2,720,754,252
100,000,001	-	1000,000,000	4	0%	103,241	650,582,694	5.36%	3,371,336,946
1,000,000,001	-	5,000,000,000	1	0%	103,242	653,095,014	5.38%	4,024,431,960
5,000,000,001	-	9,000,000,000	1	0%	103,243	8,122,446,281	66.87%	12,146,878,241
		Grand Total	**103,243**	**100%**		**12,146,878,241**	**100%**	

Report of the Directors (Continued)

As at December 31, 2023, the 12,146,878,241 Ordinary Shares of N0.50 each in the issued Ordinary Share Capital of DSR were beneficially held as follows:

Shareholder	No. of Ordinary Shares Held	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.*

5 Operating results

The Group and Company's Results for the year ended December 31, 2023 are set out on page 31 of this Report.

The summarised results are presented below:

	Group 31/12/2023 N'000	Group 31/12/2022 N'000	Company 31/12/2023 N'000	Company 31/12/2022 N'000
Gross Profit	86,303,842	91,963,038	86,303,842	91,963,038
(Loss)/Profit before Income Tax	(108,922,106)	82,302,820	(107,161,258)	81,907,076
Taxation	35,161,798	(27,560,685)	35,161,798	(27,560,685)
(Loss)/Profit for the year	(73,760,308)	54,742,135	(71,999,460)	54,346,391
Non-controlling interest	(17,608)	3,957	-	-
(Loss)/Profit attributable to owners of the Parent Company	(73,777,916)	54,746,092	(71,999,460)	54,346,391

As at the date of approval of the Consolidated Financial Statements of the Company, Dangote Sugar Refinery PLC's outlook for 2023 and beyond shows there is no going concern threat to the enterprise.

6 Board of directors

The following persons served as the Directors of the Company during the period under review:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Ms. Mariya Aliko Dangote	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	Non-Executive Director
10	Mrs. Yabawa Lawan Wabi	Independent Director

The Directors' biographical details appear on pages 7 & 9 of this Report.

7 Appointment of Directors

The Board of Directors made the following appointments during the period:

1. The appointment of Mrs. Yabawa Lawan Wabi (mni) as an Independent Non-Executive Director on the Board of the Company on February 28, 2023. Her appointment was ratified at the Annual General Meeting held on April 14, 2023.
2. The appointment of Ms. Mariya Dangote as Executive Director on July 28, 2023. Her appointment is subject to the ratification of Members at the Annual General Meeting of the Company to receive the Audited Financial Statement for the year ended December 31, 2023.

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.

8 Retirement of Directors

No Director retired from the Company during the year under review and no Director's service contract is not determinable within five years. In accordance with Article Company's Articles of Association, the Directors retiring by rotation are Ms. Bennedikter Molokwu, Ms. Maryam Bashir and Professor Konyinsola Ajayi, SAN, and being eligible, hereby offer themselves for re-election.

9 Directors' Fees

The Directors were paid a total of N20,000,000.00 (Twenty Million Naira) as Directors fees. The Annual Fees for the Non-Executive Directors is proposed at N4million per Director. Only Non-Executive Directors are entitled to Annual fees. A resolution will be proposed to approve the payment of these amounts for the 2024 financial year.

10 Directors Code of Conduct & Ethics

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

Report of the Directors (continued)

11 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.

The Company is very intentional at 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, Corporate Governance Guidelines 2020, the Nigeria Code of Corporate Governance 2018 and any other applicable corporate governance rules promulgated from time to time.

12 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.

13 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 the year.

In so doing the Directors 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.

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

15 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 Exchange Limited is as follows:

S/N	DIRECTOR	31ST DECEMBER 2023		31ST DECEMBER 2022	
		Direct	Indirect	Direct	Indirect
1	Alhaji Aliko Dangote (GCON)	653,095,014	Nil	653,095,014	Nil
2	Mr. Ravindra Singhvi	Nil	Nil	Nil	Nil
3	Mr. Olakunle Alake	7,194,000	Nil	7,194,000	Nil
4	Ms. Bennedikter Molokwu	1,483,400	Nil	1,483,400	Nil
5	Prof. Konyinsola Ajayi, SAN	Nil	Nil	Nil	Nil
6	Mr. Uzoma Nwankwo	384,692	Nil	384,692	Nil
7	Mr. Abdu Dantata	1,044,000	Nil	1,044,000	Nil
8	Ms. Maryam Bashir	Nil	Nil	Nil	Nil
9	Mrs. Yabawa Lawan Wabi	Nil	Nil	Nil	Nil
10	Ms. Mariya Aliko Dangote				

16 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

17 Employment and Employee relationship

a. Employment and Employees
Dangote Sugar Refinery PLC had a total of 2,956 staff as at December 31, 2023. 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 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. the Company maintained a communication line giving regular updates to staff on current health issues relating to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

c. Employee Training and Development
The Company 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 trainings.

Report of the Directors (continued)

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 with 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 acknowledges that physically challenged people can participate in, and contribute to the 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 15 physically challenged employees in the Company with disabilities such as speech impairment and mobility (limb) impairment.

f. Staff Welfare
The Company has retainership agreement with several private hospitals for its employees' health management. The Company 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 and on a quarterly basis, 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 the Company's contribution of 10% each of the employees' monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

18 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 committed to being thoughtful stewards of the environment and empathetic corporate citizen in the communities where we operate. 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	Manufacturers Association of Nigeria 20th AGM Sponsorship	20,000,000
2	Ibidunni Ighodalo foundation on Fertility project	5,000,000
3	Federal College of Education (TECH) - Annual Home	400,000
4	Sponsorship of Boyz to Men 2023 Foundation Conference	250,000
5	Sponsorship of Methodist Nursery & Pry School, Apapa and DSR Numan's Staff School 2023 Childrens Day celebration.	2,100,000
6	Maritime Workers 2023 May Day Celebration	100,000
7	Financial Support to Watch Word Shareholder Association	200,000
8	2023 Lagos State Ministry of Agriculture World Food Day Schools Quiz Competition	1,357,014
9	Financial Support to Aba Citizen Shareholders Association	200,000
10	Sponsorship of NSCDC Adamawa State Volleyball team to Nigeria Premier League Finals Tournament	350,000
11	2023 DSR Annual Charity Day	1,000,000
12	DSR NUMAN 1st 100 beneficiary's empowerment scheme skills acquisition programme	25,500,000
13	Construction of Kwapukai Community Primary Health Center	16,000,000
14	Rebuilding of Gundo Community Primary Health Centre, Shelling LGA	7,500,000
15	DSR Numan Primary & Secondary Schools Free Education Scheme	21,900,000
16	Renovation of DSR Numan High School	12,201,057
17	Scholarship for Tertiary & Secondary Schools Students across the five Local Government Areas	7,200,000
18	Medical Treatment Support for MEMBERS OF Libbo Community Shelleng LGA Mass Knife Attack Victims	400,000
19	DSR Numan Secondary Schools Quiz Annual Competition	1,500,000
20	Rehabilitation of 15 boreholes in (Gywana, Shelleng, Demsa, Numan, Guyuk) communities	4,797,979
21	Repair of Bare Community Transformer	850,000
22	Sponsorship of Annual Cultural Festivals in DSR Numan immediate host communities across the 5 LGAs	6,700,000
23	Support For Hama Bachama 3-Years Anniversary	1,000,000
24	Donation to Chiroma Hayatu Isa- Demsa Turbaning	500,000
25	Support Lamurde LGA Chairman's Cup Football Competition	100,000
26	Support For Community Development Activities in DSR Numan 5 Immediate Host Communities	49,500,000
27	DSR Numan 5 Host Communities' Stakeholders Engagement Meetings.	4,300,000
28	Donation of groceries to Orphans and Widows in Tunga	250,000
29	Sustainability Week Feeding Outreach for Street Children (Almajiri) in Tunga and Awe LGA	98,800
30	NSCL Scholarship for Indigent students in the host communities.	7,975,000
31	Rehabilitation of Roads in Tunga, Azara, Ribi and Awe	4,961,250
32	Supply of diesel (AGO) to Sarkin Tunga's residence	6,261,504
33	Community development support for Tunga project immediate communities.	13,600,000
34	Provision of portable water for Special Force, Tunga and GSS Tunga	1,152,900
35	Ramadan and Sallah hampers to key stakeholders in the immediate host communities	3,266,500
36	Donation of anti-snake venom vials for Tunga Community Clinic	259,000
	TOTAL	**228,731,004**

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

Report of the Directors (continued)

19 Post Balance Sheet Events

Refer to note 38 for details of events after the reporting period.

20 Auditors

The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, 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.

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 29, 2024

Corporate Governance Report

Board Structure & Composition

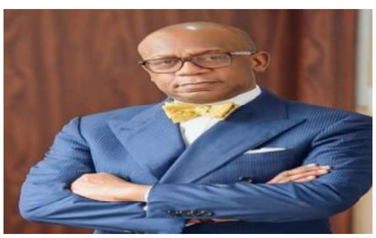
The Board of Directors of the Company was composed of the following ten (10) members during the 2023 Financial Year:

Alhaji Aliko Dangote, GCON
Chairman

Mr. Ravindra Singhvi
Group Managing Director/CEO

Mr. Olakunle Alake
Non-Executive Director

Ms. Bennedikter Molokwu
Non-Executive Director



Prof. Konyinsola Ajayi, SAN
Non-Executive Director

Mr. Uzoma Nwankwo
Non-Executive Director

Alhaji Abdu Dantata
Non-Executive Director

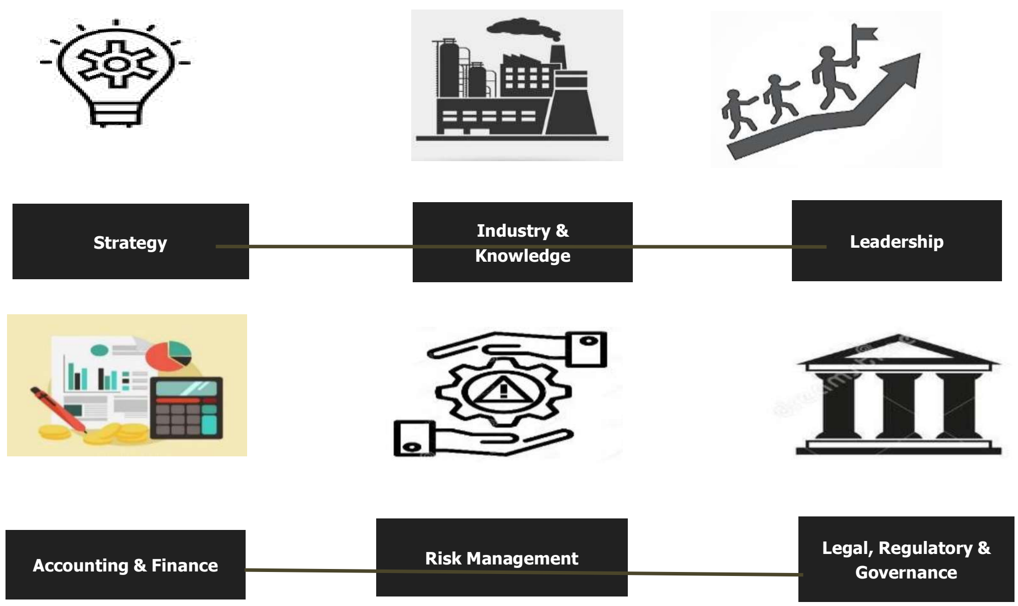
Ms. Maryam Bashir
Independent Non-Executive Director

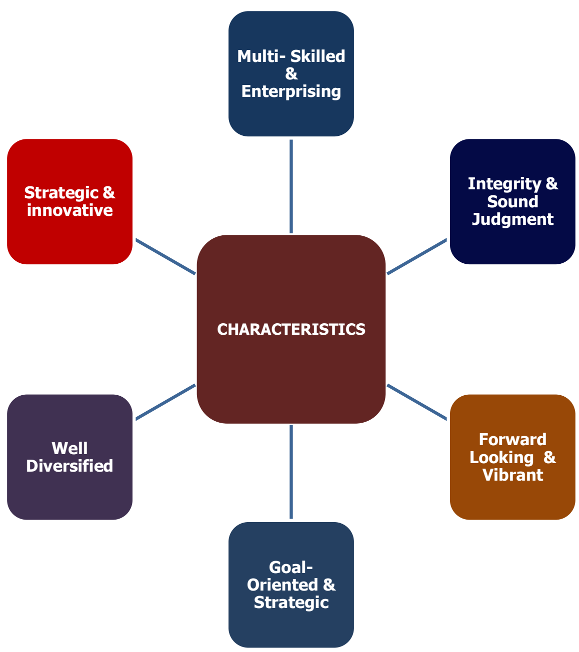
Mariya Dangote
Executive Director

Mrs. Yabawa Lawan Wabi
Independent Non-Executive Director

Corporate Governance Report (continued)

Board Characteristics & Skill Sets





Corporate Governance Report (continued)

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.

Changes to Board Composition

- Ms. Maryam Bashir retired as Independent Director on January 31, 2023 having completed her tenure as Independent Non-Executive Director on the Board. She thereafter continued on the Board in the capacity of Non-Executive Director.
- Mrs. Yabawa Lawan Wabi (mni) was appointed as Independent Non-Executive Director on the Board of the Company on February 28, 2023, her appointment was ratified by Shareholders at the Annual General meeting held of April 14, 2023.
- Ms. Mariya Aliko Dangote was appointed as Executive Director on July 28, 2023, subject to the ratification of the Members of the Company at its next General Meeting.

Gender Diversity - The Board achieved significant improvement in its gender balance which improved to 40% female with the addition of two (2) female directors.

Disclosure on the Attainment of 70years – Ms. Bennedikter Molokwu attained the age of 70years on January 31, 2024.

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.

Corporate Governance Report (continued)

The Role of the NED, INED & 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 and Board Appointment Policies 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.

Induction & Tour for New Directors

The Board Induction and Tour for the new Directors, Mrs. Yabawa Wabi Lawan and Ms. Mariya Dangote held during the period.
Some of the highlights of the Induction were the GMD's presentation focused on the history of the Company and an overview of the Business environment, the Company's short-term and long-term strategic plan, a presentation by the Chairman of the Board Governance Committee, titled 'About DSR Board – Personal Experience', which bordered on Meetings modalities and requisite skills for Board relationship management. Critical Office Holder of the Management Team made brief presentations to intimate the new Directors of their areas operations - Finance, Human Resources & Admin, Refinery Operations, Sales & Marketing and Health, Safety, Sustainability & Environment and Company Secretariat & Legal Department. The Company Secretary concluded with a presentation on the topic 'Roles and Responsibilities of Directors' to refresh the knowledge of the Directors.

The Directors in the company of the Management Team led by the GMD and GM, Refinery Operations took a tour of the Refinery to critical areas, such as Utilities, WTP, Boilers, VHP storage, pre-melting, Power-House, Taloclarification, Laboratory, Centrifugal Station amongst others. The directors had the opportunity to observe the condition of the equipment and facility as a whole, to understand the processing of the Sugar from the raw Sugar stage to finished product, bagged and conveyed into waiting trucks. They also had the opportunity to speak with the factory staff, and examine the sugar.

Establishment of the Board Technical & Sustainability Committee

Dangote Sugar Refinery Plc. prioritises sustainability as an ethical and responsible corporate citizen. In furtherance of this, it approved the establishment of the Board Technical and Sustainability Committee to have oversight of the operations of the Company in areas such as Production, Transportation and Logistics, 'Environment, Social & Governance' (ESG) and Health, Safety, Security & Environment (HSSE), and implementation and monitoring of ongoing Projects.
The Board of Directors view sustainability as an essential part of facing current and future global challenges. Below is the composition of the Committee:

S/N	NAMES	ROLE
1	**Mr. Uzoma Nwankwo**	**Chairman**
2	Alhaji Abdu Dantata	Member
3	Mr. Olakunle Alake	Member
4	Mrs. Yabawa Lawan Wabi (mni)	Member
5	Mr. Ravindra Singhvi	Member
6	Ms. Mariya Dangote	Member

Corporate Governance Report (continued)

Board Training & Retreat
A Board Training was facilitated by Messrs. Ernst & Young (EY) during the period. The Training was to upskill the Board of Directors on areas identified during the FY 2022 Board Evaluation. The Training comprised of five (5) modules, which were Strategic Leadership and Optimizing Board Effectiveness, the Sugar Industry, Opportunities and Priorities for DSR, the Role of the Board and Executive Management in Risk Management & Compliance, Date Protection & Cyber Security, and the Concept of ESG and the role of Governance in ESG.

The training was informative, interactive and engaging. EY's methodology involved the use of theories, ice-breakers, practical scenarios and the assessment of Participants ideologies and understanding of the topics by matrixes, case studies and discussions.

The Board Retreat was planned for members to explore emerging issues, address concerns, set goals and priorities, and develop a cohesive Board. The focus of the Board Retreat was:

- Strategy for Achieving the 2024 FY Budget 2024 & BIP Targets
- BIP Strategy Implementation Plan (Update on Improved Mechanization)

Other subjects discussed were International financing, options for raising debt/ financing in Africa in the present volatile FX markets. Trade and Currency Management, and Risk Management to cover volatility including hedging in soft commodity trading to mitigate global price fluctuations.

At the Retreat, the Chairman reinstated his commitment to stakeholders to develop value; and was confident that the Company's ambitious targets would be achieved through quality leadership of members, their wealth of experience and commitment to sustainability.

Announcement of the Proposed Merger of Dangote Sugar Refinery Plc., NASCON Allied Industries Plc. and Dangote Rice

On July 31st, 2023, Dangote Sugar Refinery Plc notified the Nigerian Exchange Limited and the investing public that the Board of Directors of the Company resolved to recommend the proposed merger between the Company, NASCON Allied Industries Plc and Dangote Rice Limited to the Shareholders of the Company for consideration and approval, subject to parties agreeing terms and conditions.

It stated that the proposed merger will be an internal restructuring executed through a Scheme of Merger (**"Scheme**"), under Section 711 of the Companies & Allied Matters Act, 2020 (as amended) and other applicable rules and regulations. The Company will apply for the Securities and Exchange Commission's approval of the Scheme, and other requisite approvals. The Scheme is also subject to the approval of the Shareholders of the Merging Entities at the respective Court-Ordered Meetings of the companies, as well as the sanction of the Federal High Court.

Benefits of the Scheme
It is expected that the Transaction will consolidate and solidify the Group's market position and ultimately reposition the Group to harness future opportunities in the foods industry. Further details will be communicated to the market upon relevant approvals being obtained from Shareholders and Regulators.

Shareholders of the Company are advised to exercise caution when dealing with the shares of the Company until a further announcement is made.

About NASCON Allied Industries Plc

NASCON, formerly known as National Salt Company of Nigeria, was incorporated in 1973 as a salt refinery to address the identified need for Nigeria's self-sufficiency in the production of salt. It was listed on the Nigerian Stock Exchange in 1992 and acquired by Dangote Industries Limited in 2007. NASCON has a wide variety of products which it manufactures and offers to consumers, including salt retail packs sold under the brand name Dangote Refined Salt as well as Seasoning under the brand name of Dangote Classic Seasoning.

About Dangote Rice Limited

Dangote Rice Limited was incorporated in 2014 and is a subsidiary of Dangote Industries Limited. It is in the business of creating rice processing facilities across the country, along various models to satisfy its paddy rice needs, customised to each catchment area's situation.

Scheme Consideration

Eleven (11) ordinary shares of 50 Kobo each in DSR, credited as fully paid-up shares, for every Twelve (12) NASCON shares of 50 Kobo each, which totals 2,428,651,847 new ordinary shares of DSR; and

Fourteen (14) ordinary shares of 50 Kobo each in DSR, credited as fully paid-up shares, for every one (1) ordinary shares of N1.00 Kobo each in DRL share, which totals 2,775,792,508 new ordinary shares of DSR.

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, 2022 was held on April 14, 2023 at the Eko Hotel and Suites, Victoria Island, Lagos.

The Meeting was very well attended by Shareholders and representatives of the Securities & Exchange Commission (SEC), Corporate Affairs Commission (CAC), The Nigerian Exchange Limited (NGX) and the Financial reporting Council (FRC). The Chairman of the Statutory Audit Committee and other members of the Committee were present.

The Meeting was 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.

At the AGM, seven (7) items were proposed - 6 Ordinary and 1 Special Business and all resolutions were passed, and the necessary post-AGM filings completed within time.

Corporate Governance Report (continued)

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.

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 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 March 15, 2023 in two (2) leading newspapers 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 and published on the Issuers' Portal of the NGX.

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 facilitate their investment decisions.

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.

Adoption of IFRS Sustainability Disclosure Standards

Following Nigeria's early adoption of IFRS Sustainability Disclosure Standards and subsequent inauguration of an Adoption Readiness Working Group (ARWG) on sustainability reporting, the Financial Reporting Council (FRC) of Nigeria has developed a Roadmap Report for Adoption of IFRS Sustainability Disclosure Standards in Nigeria

At Dangote Sugar Refinery, we have put in place the necessary structures to commence the Sustainability reporting once the standards are confirmed.

Update on Compliance the Internal Control over Financial Reporting (S.60-63 of the Investment & Securities Act (ISA))

The Directors and Reporting Officers are required to implement relevant internal controls over financial reporting, and Auditors are required to review the same and issue a statement on the existence, adequacy and effectiveness or otherwise.

The Company has fully complied with the requirements of S.60-63 of the Investment & Securities Act (ISA) 2007 as it relates to 2023 Financial Year End. Evidence of the Tests of Control Design and Operating Effectiveness for all the Financial Statement Line Items (FSLIs) together with relevant working papers and process documentations have been validated.

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.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.

Corporate Governance Report (continued)

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.

Commitment to Reducing Gender Gaps

The Company concluded the two-and-a-half-year program - the Nigeria2Equal Gender Program implemented by the International Finance Corporation (IFC), the private sector arm of the World Bank, in partnership with The Nigerian Exchange Limited (NGX). The Program was the first multi-stakeholder country project focused on reducing gender gaps across leadership, employment, and entrepreneurship in the Nigerian private sector companies.

In collaboration with the Dangote Group, the Company took significant strides in promoting women's leadership and employment, promoting women's entrepreneurship, supporting the education of the girl-child, and promoting gender equity,

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 as well as a review of its Corporate Governance practices annually. 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 conducted its Board and Corporate Governance Evaluation for the year ended December 31, 2023 internally.

Our Approach to Sustainability

The Company adopted a total of six (6) Sustainable Development Goals and launched a
3-year Sustainability Implementation & Performance Enhancement Roadmap for 2021-2023. The baseline year (2020) was for setting up building blocks for the Company's sustainability vision while the Year 1 (2021) was for solidifying the sustainability vision. The Year 2 (2022) was for entrenching our sustainability vision while the Year 3 (2023) was for consolidating the Sustainability journey by embracing five of the United Nation's Sustainable Development Goals

In 2023, alongside science-based targets on greenhouse gas (GHG) emissions, DSR further consolidated its journey with intense focus on Sustainable Supply Chain. This led to a review of internal processes, including agricultural practices, to identify opportunities for refining those processes to entrench sustainable culture within both upstream and downstream supply chains. To remain aligned with current and advanced global practices, DSR secured the membership of Bonsucro, an international, independent verifier of sustainable agricultural practices

We are happy to inform stakeholders that DSR is the first organization in Nigeria to be admitted to Bonsucro. This membership is expected to position the Company as an organization certified in sugar production based entirely on sustainable agricultural processes.

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.

Corporate Governance Report (continued)

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

At the commencement of the year, Board Members attested to their compliance with the various governance codes and policies and provided information on their interest on other Boards as well as information on relevant changes.

Board of Directors Meetings Attendance (5 Meetings)

S/N	DIRECTORS	ATTENDANCE					
		Feb 28	April 27	July 28	Oct 27	Dec 14	%
1	Alhaji Aliko Dangote, GCON (Chairman)	√	√	√	√	√	100
2	Mr. Olakunle Alake	√	√	√	√	√	100
3	Alhaji Abdu Dantata	√	√	√	√	√	100
4	Ms. Bennedikter Molokwu	√	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	√	100
6	Prof. Konyinsola Ajayi, SAN	√	√	√	√	√	100
7	Mr. Uzoma Nwankwo	√	√	√	√	√	100
8	Mr. Ravindra Singhvi	√	√	√	√	√	100
9	Mrs. Yabawa Lawan Wabi (mni)	√	√	√	√	√	100
10	Ms. Mariya Dangote	√	√	√	√	√	100

Board Committees

The Committees of the Board as at December 31, 2023 were as follows:
• Board Governance Committee
• Board Finance Committee
• Board Risk Management & Assurance Committee
• Board Technical & Sustainability Committee

Board Governance Committee (BGC)

The primary purpose of the Board 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 oversight of governance matters, policies and practices, and oversight of the human resources strategy amongst others. The Committee engaged the services of an external Consultant to conduct the Board and Corporate governance Evaluation, it reviewed the Company's Organogram and Succession Plan for critical office holders 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 Committee are as follows:

- Ensures that a Succession Plan/Policy exist for critical roles on the Board, Senior Executives of the Company and its subsidiary companies Executive Management
- Reviews the structure, size and composition of the Board annually, and makes recommendations on proposed changes
- Advises the Board on staff welfare matters in accordance with relevant laws and regulations
- Ensures that periodic evaluation of the Board and the Company's corporate governance practices is conducted
- Ensures that the Company has a formal programme for the induction and training of Directors
- Establishes an effective system for monitoring compliance with the various corporate governance codes and practices

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

Board Governance Committee Composition & Meeting Attendance (4 Meetings)

S/N	DIRECTORS	ATTENDANCE				
		Feb 21	April 18	July 11	Oct 13	%
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

Corporate Governance Report (continued)

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:

- Reviews the Company's financial policies, capital structure, matters affecting the capital like mergers and acquisitions
- Monitors the Company's financial performance against set targets
- Recommends strategic projects to the Board
- Monitors the financial performance of the Company's Subsidiaries
- Reviewing the financial and business plan of the Company
- Provides guidance in the management of the Company's Sustainability and Corporate Social Responsibility (CSR) activities

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

Board Finance Committee Composition & Meeting Attendance (5 Meetings)

S/N	Directors	Attendance					
		Feb 23	April 26	July 26	Oct 24	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
8	Mrs. Yabawa Lawan Wabi (mni)	√	√	√	√	√	100

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 Risk Management, Internal Audit and Legal Risk Reports and monitored the implementation of the key recommendations of the external assessment of the Internal Audit and Internal Control functions. It approved the Audit Plan and requested Management to conduct special reviews where required.

The Committee's major terms of reference include the following

Corporate Governance Report (continued)

- Review of the effectiveness of the Risk Management framework and ensuring that appropriate controls are in place to address identified risks
- Review the effectiveness of the Internal Audit and Internal Control and assess the qualifications and independence of the external auditors
- Ensure the preparation, completeness, accuracy of financial statements and proper disclosure of financial information
- Review significant accounting and reporting issues, proposed adjustments and areas of judgment
- Review of the Company's compliance with applicable laws and regulatory requirements
- Review the Company's IT data governance framework & legal risks

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

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

S/N	Directors	Attendance				
		Feb 23	April 26	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	√	√	√	√	100
6	Alhaji Abdu Dantata	√	√	√	√	100
7	Mrs. Yabawa Lawan Wabi (mni)	*	*	√	√	100

* Mrs. Wabi was appointed as a director during the period and admitted on 2 Board Committees in July 2023.

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:

1. Ascertain whether the accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.
2. Review the scope and planning of audit requirements.
3. Review the findings on management matters in conjunction with the external auditors and Management responses thereon.
4. Keep under review the effectiveness of the Company's system of accounting and internal control.
5. Make recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company.
6. Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

Corporate Governance Report (continued)

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.

The Securities & Exchange Commission in collaboration with its Training Institute, the Nigerian Capital markets Institute (NCMI) organized a Workshop on Internal Controls over Financial Reporting (ICFR) for public companies Audit Committee members and other critical office holders in September 2023. The Workshop was to provide the Audit Committees with context and background for internal controls, an understanding of the components of the ICFR Framework for compliance by December 31, 2023.

In furtherance of continuous capacity building, the members of the Audit Committee attended the Training.

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 25	April 22	July 22	Oct 24	%
1	Mr. Olusegun Olusanya (Chairman)	√	√	*	√	75
2	Hadjia Muheebat Dankaka	√	*	√	√	75
3	Mallam Dahiru Ado	√	√	√	√	100
4	Mr. Uzoma Nwankwo	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	100

Remuneration of Directors

The Board ensures that the Company remunerates fairly, responsibly, and transparently in line with its Remuneration Policy. 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 any performance-based compensation. The schedule of Annual Fees and Sitting Allowances payable to Non-Executive Directors for the year ended December 31, 2023 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

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.

The Board will continue to closely monitor the Company's compliance with best governance practices with a view to improving its governance practices.

We are pleased to inform our esteemed stakeholders that during the period, there were no regulatory sanctions, fines or penalties on the Company.

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 29, 2024

Report of the Audit Committee

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, 2023 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, 2023 are in accordance with legal requirements and agreed ethical practices, and the scope and planning of both the external and internal audits were adequate in our opinion;

d In our opinion, the scope and planning of the audit for the year ended 31st December, 2023 were adequate, and the Management Responses to the Auditors ' findings were satisfactory.

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

Dated this 29th Day of February, 2024

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 (Amendment) Act 2023 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, 2023 were approved by the Directors on February 29, 2024.

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 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 2023;

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;

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 29th day of February, 2024

Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"
Dated this 29th day of February, 2024

Management's Report on the Assessment of Internal Control over Financial Reporting

Management of Dangote Sugar Refinery Plc. ("DSR" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by DSR's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally acceptable accounting principles (GAAP).

DSR's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of DSR's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management has completed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making the assessment, management used the "Internal Control — Integrated Framework" ("COSO 2013") promulgated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based upon the assessment performed, management concluded that as of December 31, 2023, DSR's internal control over financial reporting was effective based upon the COSO 2013 framework. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023, has been audited by PricewaterhouseCoopers (PwC), an independent registered public accounting firm, as stated in their report, which appears herein.

…………………………	………………………………..
Ravindra Singhvi	**Oscar Mbeche**
Group Managing Director	Group Chief Finance Officer

Certification of management's assessment on internal control over financial reporting

We, Ravindra Singhvi (the Group Managing Director) and Oscar Mbeche (the Group Chief Finance Officer) of Dangote Sugar Refinery Plc, certify that:

a) We have reviewed this Management's Report on the Assessment of Internal Control Over Financial Reporting of Dangote Sugar Refinery Plc;

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

d) We:

1) Are responsible for establishing and maintaining internal controls;

2) Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by others, particularly during the period in which this report is being prepared;

3) Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) Have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors:

1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

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

Dated this 29th day of February 2024

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

Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"

Independent practitioner's report

To the Members of Dangote Sugar Refinery Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Dangote Sugar Refinery Plc ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Dangote Sugar Refinery Plc's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on the assessment of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Dangote Sugar Refinery Plc and our report dated 1 March 2024 expressed an unqualified opinion.

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

1 March 2024

Engagement Partner: Yinka Yusuf
FRC/2013/ICAN/00000005161

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 2023, 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 (Amendment) Act, 2023.

What we have audited

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

- the consolidated and separate statements of financial position as at 31 December 2023
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- 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 material 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 (N14.5 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 growing 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 sugar 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 2.22, 3ii 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. With the help of our Corporate Finance experts, we reviewed the group's model for calculating the fair value of biological assets. We assessed the valuation methodology against the criteria in IAS 41-Agriculture and IFRS 13 - Fair value measurement. We reviewed the forecast cash flows, discount rates applied and underlying assumptions adopted by management against internal projections and publicly available information. 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.

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, Management's Report on the Assessment of Internal Control over Financial Reporting, Certification of management's assessment on internal control over financial reporting, 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 2023 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 2023 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 locations 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.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Dangote Sugar Refinery Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 1 March 2024.

Yinka Yusuf

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

1 March 2024

Engagement Partner: Yinka Yusuf
FRC/2013/ICAN/00000005161

Consolidated and separate statements of financial position as at 31 December

	Note(s)	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Assets					
Non-current assets					
Property, plant and equipment	16	167,082,811	157,761,632	101,177,858	93,696,015
Deferred tax assets	13	33,145,294	-	33,145,294	-
Investment in subsidiaries	20	-	-	297,000	297,000
Deposit for shares	21	-	-	67,035,291	64,025,068
Total non-current assets		**200,228,105**	**157,761,632**	**201,655,443**	**158,018,083**
Current assets					
Inventories	22	47,916,853	44,264,068	47,061,249	43,387,050
Biological assets	17	14,464,427	6,942,660	14,464,427	6,942,660
Trade and other receivables	23	131,804,186	107,434,891	131,569,672	106,797,356
Other assets	18	745,008	304,179	743,612	297,929
Asset held for sale	19	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	204,762,703	174,858,294	204,677,479	174,658,116
Total current assets		**400,561,819**	**334,672,734**	**399,385,081**	**332,951,753**
Total assets		**600,789,924**	**492,434,366**	**601,040,524**	**490,969,836**
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	66,882,222	158,845,239	69,415,947	159,635,723
		79,276,185	**171,239,202**	**81,809,910**	**172,029,686**
Non-controlling interest	27	(30,398)	(12,790)	-	-
		79,245,787	**171,226,412**	**81,809,910**	**172,029,686**
Liabilities					
Non-Current Liabilities					
Deferred tax liabilities	13	-	13,238,074	-	13,238,074
Lease liability	31.1	83,948	-	83,948	-
Borrowings	28	246,109	531,563	246,109	531,563
		330,057	**13,769,637**	**330,057**	**13,769,637**
Current Liabilities					
Current tax liabilities	12.3	14,445,581	25,542,640	14,450,510	25,542,640
Lease liability	31.1	116,260	981,142	61,932	933,022
Borrowings	28	285,454	243,719	285,454	243,719
Trade and other payables	30	487,862,442	273,746,756	485,598,318	271,527,072
Employee benefits	29	712,047	762,567	712,047	762,567
Other liabilities	31	17,792,296	6,161,493	17,792,296	6,161,493
Total current liabilities		**521,214,080**	**307,438,317**	**518,900,557**	**305,170,513**
Total liabilities		**521,544,137**	**321,207,954**	**519,230,614**	**318,940,150**
Total equity and liabilities		**600,789,924**	**492,434,366**	**601,040,524**	**490,969,836**

The consolidated and separate financial statements on pages 30 to 83, and other national disclosures on pages 84 to 87 were approved and authorised for issue by the board of directors on February 29, 2024 and were signed on its behalf by:

Alh. Aliko Dangote, GCON	**Mr. Ravindra Singh Singhvi**	**Mr. Oscar Mbeche**
Chairman	Group Managing Director/CEO	Group Chief Finance Officer
FRC/2013/IODN/00000001766	FRC/2021/003/000000/22565	FRC*
		* "Waiver granted by FRCN"

The accompanying notes on pages 34 to 83 form an integral part of the consolidated and separate financial statements.

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

	Note(s)	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Continuing operations					
Revenue	5	441,452,953	403,245,988	441,452,953	403,245,988
Cost of sales	7	(355,149,111)	(311,282,950)	(355,149,111)	(311,282,950)
Gross profit		**86,303,842**	**91,963,038**	**86,303,842**	**91,963,038**
Other income	11	1,233,279	1,435,482	1,233,163	533,276
Selling and distribution expenses	8	(644,496)	(741,408)	(644,496)	(741,408)
Administrative expenses	8	(13,280,725)	(10,310,342)	(12,210,566)	(9,357,639)
Impairment (loss)/gains on financial assets	23.3	(926,288)	63,537	(926,288)	63,537
Operating profit	14	**72,685,612**	**82,410,307**	**73,755,655**	**82,460,804**
Finance income	9	10,559,617	6,379,475	10,559,616	6,379,475
Finance cost	10	(201,663,325)	(9,802,295)	(200,972,519)	(10,248,536)
Finance costs - net		**(191,103,708)**	**(3,422,820)**	**(190,412,903)**	**(3,869,061)**
Change in fair value of biological assets	17	9,495,990	3,315,333	9,495,990	3,315,333
(Loss)/profit before tax		**(108,922,106)**	**82,302,820**	**(107,161,258)**	**81,907,076**
Taxation	12.1	35,161,798	(27,560,685)	35,161,798	(27,560,685)
(Loss)/profit for the year		**(73,760,308)**	**54,742,135**	**(71,999,460)**	**54,346,391**
Other comprehensive income:		**-**	**-**	**-**	**-**
Total comprehensive (loss)/income for the period		**(73,760,308)**	**54,742,135**	**(71,999,460)**	**54,346,391**
(Loss)/profit attributable to:					
Owners of the parent		(73,742,700)	54,738,178	(71,999,460)	54,346,391
Non-controlling interest		(17,608)	3,957	-	-
		(73,760,308)	**54,742,135**	**(71,999,460)**	**54,346,391**
Total comprehensive (loss)/income attibutable to:					
Owner of the parent		(73,742,700)	54,738,178	(71,999,460)	54,346,391
Non-controlling interest		(17,608)	3,957	-	-
		(73,760,308)	**54,742,135**	**(71,999,460)**	**54,346,391**
Earnings per share					
Basic and diluted (losses)/earnings per share (Naira)	15	**(6.07)**	**4.51**	**(5.93)**	**4.47**

The accompanying notes on pages 34 to 83 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of changes in equity

Group	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 2022	**6,073,439**	**6,320,524**	**116,253,934**	**128,647,897**	**(16,747)**	**128,631,150**
Profit for the year	-	-	54,738,178	54,738,178	3,957	54,742,135
Other comprehensive Income						
Total comprehensive income for the year	6,073,439	6,320,524	170,992,112	183,386,075	(12,790)	183,373,285
Transaction with owners:						
Dividend paid	-	-	(12,146,874)	(12,146,874)	-	(12,146,874)
Balance as at 31 December 2022	**6,073,439**	**6,320,524**	**158,845,238**	**171,239,201**	**(12,790)**	**171,226,412**
Loss for the year	-	-	(73,742,700)	(73,742,700)	(17,608)	(73,760,308)
Transaction with owners:						
Dividend paid	-	-	(18,220,317)	(18,220,317)	-	(18,220,317)
Balance as at 31 December 2023	**6,073,439**	**6,320,524**	**66,882,221**	**79,276,184**	**(30,398)**	**79,245,787**
Note(s)	25	25	26		27	

Company	Share Capital	Share Premium	Retained Earnings	Total
	N'000	N'000	N'000	N'000
Balance as at 1 January 2022	**6,073,439**	**6,320,524**	**117,436,204**	**129,830,167**
Profit for the year	-	-	54,346,391	54,346,391
Other comprehensive Income				
Total comprehensive income for the year	6,073,439	6,320,524	171,782,595	184,176,558
Transaction with owners:				
Dividend paid	-	-	(12,146,874)	(12,146,874)
Balance as at 31 December 2022	**6,073,439**	**6,320,524**	**159,635,721**	**172,029,686**
Loss for the year	-	-	(71,999,460)	(71,999,460)
Transaction with owners:				
Dividend paid	-	-	(18,220,317)	(18,220,317)
Balance as at 31 December 2023	**6,073,439**	**6,320,524**	**69,415,943**	**81,809,909**
Note(s)	25	25	26	

The accompanying notes on pages 34 to 83 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of cash flows

	Note(s)	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Cash flows for operating activities					
Profit/(Loss) before taxation		**(108,922,106)**	**82,302,820**	**(107,161,258)**	**81,907,076**
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment	16	10,268,323	9,731,507	9,245,056	8,814,027
Depreciation written off	16	(343,233)	-	(343,233)	-
Impairment of financial assets	23.3	926,288	(63,537)	926,288	(63,537)
Government grant	11	(43,719)	(65,109)	(43,719)	(65,109)
Impairment of CWIP	16	268,623	-	268,623	-
(Loss)/profit on sale of assets	11	-	(174,602)	-	(174,602)
Interest income	9	(10,559,617)	(6,379,475)	(10,559,616)	(6,379,475)
Interest on bank loan	10	111,192	242,444	111,192	241,700
Exchange loss	10.1	148,328,367	1,889,423	148,328,367	2,336,430
Fair value gain on biological assets	17	(9,495,990)	(3,315,333)	(9,495,990)	(3,315,333)
Changes in working capital					
(Increase)/decrease in Inventory		(3,652,785)	11,735,475	(3,674,199)	10,766,083
Net usage of biological assets		1,974,223	1,028,227	1,974,223	1,028,227
(Increase)/decrease in trade and other receivables		(25,295,583)	(57,215,821)	(25,698,604)	(60,431,549)
Increase in other assets		(440,829)	(165,546)	(445,683)	(160,778)
Increase in other liabilities		11,591,534	1,655,678	11,591,534	1,655,687
Increase in trade payables		68,585,453	73,878,285	68,541,013	82,485,058
Cash generated from operations		**83,300,139**	**115,084,435**	**83,563,993**	**118,643,903**
Tax paid	12.3	(22,318,629)	(9,661,007)	(22,313,700)	(9,661,007)
Gratuity paid	29	(50,520)	(3,698)	(50,520)	(3,698)
Net cash generated from operating activities		**60,930,993**	**105,419,732**	**61,199,772**	**108,979,200**
Cash flows from investing activities					
Purchase of property, plant and equipment	16.1	(19,514,894)	(26,151,896)	(16,652,286)	(22,037,671)
Proceeds on disposal of property, plant and equipment	11.1	-	203,162	-	203,162
Interest received	9	10,559,617	6,379,475	10,559,616	6,379,475
Net cash used in investing activities		**(8,955,277)**	**(19,569,259)**	**(6,092,670)**	**(15,455,034)**
Cash flows from financing activities					
Dividends paid	26	(18,220,317)	(12,146,874)	(18,220,317)	(12,146,874)
Unclaimed dividend received	24.1	39,269	39,269	39,269	39,269
Deposit for shares	21	-	-	(3,010,223)	(6,940,916)
Interest paid	28	(67,473)	(63,783)	(67,473)	(63,783)
Lease Liabilities paid - Interest	31.1	(57,310)	(113,552)	(51,102)	(112,808)
Lease Liabilities paid - Principal	31.1.0	135,454	(1,409,999)	123,038	(1,389,678)
Repayment of borrowings	28	(287,438)	(274,314)	(287,438)	(274,314)
Net cash used in financing activities		**(18,457,815)**	**(13,969,253)**	**(21,474,246)**	**(20,889,103)**
Net increase in cash and cash equivalents		33,517,901	71,881,220	33,632,855	72,635,063
Cash and cash equivalents at beginning of year		174,858,294	103,009,804	174,658,116	102,055,783
Effect of exchange rate changes on cash and cash equivalents		(3,613,492)	(32,730)	(3,613,492)	(32,730)
Cash and cash equivalents at end of the year	24	**204,762,703**	**174,858,294**	**204,677,479**	**174,658,116**

The accompanying notes on pages 34 to 83 form an integral part of the consolidated and separate financial statements.

Notes to 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 2023 comprise the Company and its subsidiaries - Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited 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.

1.2 Reporting entity

Dangote Industries Limited was incorporated as a private limited liability company on 18 April 1985 and commenced business in July, 1999. Dangote Nigeria Limited owns 0.01% and Greenview International Corp. of Cayman Island owns 99.99%. However, Alhaji Aliko Dangote is the ultimate controlling party.

1.2 Going Concern status

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

The company made a net loss of N 73.76 (2022: net profit 54.74) for the year ended 31 December 2023 and as at that date, its total assets exceeded its total liabilities by 79.2.bn (2022: net assets 171.2 bn). In 2023, the company's revenue grew by 9%, an increase of N38.21bn and the operating profit margin stood at 16.5%.

Despite the strong operational performance, the net profit is impacted by significant devaluation of the naira. The company believes that as macroeconomic situation stabilizes, the same would yield positive impact to the overall economy as well as company results.

The company has taken robust margin management and cost management initiatives to address significant forex volatility and cost inflation. The returns from our Numan operations have been positive and the company is poised to increase the pace in its backward integration efforts. Other specific actions are being reviewed by management and board of the company management to improve the overall operational and profitability of the company in a very difficult operating environment.

The financial statements of Dangote Sugar Refinery Plc have been prepared on a going concern basis which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the forseeable future as the Company has the continuing support from her Group holding company.

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 year from 1 January 2023 to 31 December 2023 with comparative for the year ended 31 December 2022.

1.5 Functional currency

For the purpose of these financial statements, the results and financial position of the Group and Company are expressed in Naira, which is the Group's functional and presentation currency.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2 Material 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.

In addition, the CBN on 14 June 2023 issued a circular titled Operational Changes to the Foreign Exchange markets abolishing segmentation and introducing willing buyer willing seller on the Investors and Exporters (I & E) Window. Based on the prevailing market rates, the Group changed its USD/Naira closing rate of 461 as at 31 December 2022 to 756 as at 30 June 2023 and now to 951.79 as at 31 December 2023. Monetary Assets and liabilities for the Nigeria operations were revalued at this rate resulting in a revaluation loss of N172 billion for the Company mainly driven by Letters of Credit and foreign vendor balances.

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 2023 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.

2.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments: Initially measured at fair value and subsequently measured at amortised cost.
- Defined benefits obligations: Present value of the obligation
- Biological assets: Fair value less costs to sell
- Inventories: Lower of cost and net realisable value
- Lease liabilities- measured at present value of future lease payments.

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 from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss is attributed to the owners of the Company and to the non-controlling interests. Total profit for the year 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.

2.4 Revenue recognition (Continued)

a) *Accounting policy*

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 being at the point when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers. Payment for the transaction price is done by the time goods are collected otherwise a receivable is recognised at that point

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.

Freight Income

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.

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.

Significant financing component

Using the practical expedient in IFRS15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects,at contractinception,that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.As a consequence,the Group does not adjust any of the transaction prices for the time value of money.

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 Group 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 to that asset's net carrying amount on initial recognition.

2.6 Segment reporting

An operating segment is a distinguishable component of the Group and Company that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

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.

The Group and Company's primary format for segment reporting is based on business segments.The business segments are determined by management based on the Group's internal reporting structure.

Segment results that are reported to the Company's Executive Management Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

2.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss 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.

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.

2.8 Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

2.8 Property, plant and equipment (Continued)

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 Group 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 Group will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

iii Derecognition of PPE

A gain or loss on disposal is recognised as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. This gain or loss is included in the statement of profit or loss – the disposal proceeds should not be recognised as revenue.

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	6 years

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

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

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

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2.9 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.

2.9 Pensions and Other post-employment benefits (Continued)

2.9.1 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Long-term employee benefits (Defined contribution plan)

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a postemployment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The assets of this scheme are held in separate trustee administered funds,which are funded by contributions from both the employee and the Group. Except when they qualify for capitalization, obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.10 Government grants

Government grants are recognised when there is reasonable assurance that:
i) the group will comply with the conditions attached 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).

2.11 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

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.11 Leases (Continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right of use Assets

Right-of-use assets are presented as a separate line item on the Consolidated and Separate Statements of Financial Position.
Lease payments included in the measurement of the right of use comprise the following:

- Initial amount of the corresponding lease
- Any lease payments made at or before the commencement date;
- Any initial direct costs incurred;
- Any estimated costs to dismantle and remove the underlying asset or to restore the
- Less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated using the straight-line method from the commencement date to the shorter period of lease term and useful life of the right-of-use asset.. Depreciation starts at the commencement date of a lease. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

Leases in which the Group is a Lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Leases

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

2.11 Leases (Continued)

(i) Operating lease
Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

(ii) Finance lease
Amounts due from lessees are recognised from commencement date at an amount equal to the Group net investment in the lease. They are presented as lease receivables on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives payable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

- The amount expected to be receivable by the Group from the lessee, a party related to the lessee or a third party unrelated to the Group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee).

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the option

- Penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The Group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss.

The Group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

2.12 Inventories

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

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

Costs, including an appropriate portion of fixed and variable 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 realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.13 Deposit for shares

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

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

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

2.14 Financial instruments

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

Broadly, the classification possibilities, which are adopted by the Group,as applicable, are as follows:

Financial assets which are equity instruments:

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

Financial assets which are debt instruments:

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

• Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

Derivatives which are not part of a hedging relationship:

• Mandatorily at fair value through profit or loss.

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

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

Business model assessment

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

• the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

• how the performance of the portfolio is evaluated and reported to the Group's management;

• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

• how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

• the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment of whether contractual cash flows are solely for payments of principal and interest

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

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

• contingent events that would change the amount or timing of cash flows;

• terms that may adjust the contractual coupon rate, including variable-rate features;

• prepayment and extension features; and

• terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

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

Trade and other receivables

Classification and measurement

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

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

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding statutory receivables and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable using a simplified impairment methodology adjusted for current conditions and forward looking information.

ii) Trade and other payables

Recognition and measurement

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

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

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

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 54 for details of risk exposure and management thereof.

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 Group's receivables. This involves determining the expected loss rates using a provision matrix that is based on the 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 Group 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 Group identifies the assets that require close monitoring.

2.14 Financial instruments (Continued)

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 Group'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 Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Derecognition
Financial assets

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

Financial liabilities

The Group 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.

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the Group classifies it as a financial liability at fair value through profit or loss.

The Group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the Group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

Offsetting of financial assets and financial liabilities

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

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

2.15 Asset Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

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

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are

2.16 Cash and cash equivalent

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

2.17 Share capital and Equity

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

The Company has only one class of shares namely ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.
All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.
Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 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.

2.19 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 Group's functional and presentation currency.

2.19 Functional and presentation currency (Continued)

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.

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.

2.20 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.

2.21 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

2.22 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.

2.23 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.

2.24 Non-Controlling Interest

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parentcompany and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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.

3 Critical judgements and sources of estimation uncertainty (continued)

Trade receivables
a. Expected cash flow recoverable:

i) Trade receivables from external customers

		GDP growth rate		
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Brent oil price	-10%	11,219	19,370	27,520
	Held constant	(8,150)	-	8,150
	10%	(27,520)	(19,370)	(11,219)

ii) Trade receivables from related party

		GDP growth rate		
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Brent oil price	-10%	2,273	3,924	5,576
	Held constant	(1,651)	-	1,651
	10%	(5,576)	(3,924)	(2,273)

b) Other (Non-trade) receivables
Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2023	Effect on profit before tax 2022
	N'000	**N'000**
Increase/decrease in probability of default		
10%	(67,289)	19,362
-10%	68,902	(19,465)

Loss Given Default (LGD)	Effect on profit before tax 2023	Effect on profit before tax 2022
	N'000	**N'000**
Increase/decrease in loss given default		
10%	(106,367)	28,254
-10%	100,984	(26,742)

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2023	Effect on profit before tax 2022
	N'000	**N'000**
Increase/decrease in probability of default		
10%	(3,340)	(2,261)
-10%	3,414	2,450

Loss Given Default (LGD)	Effect on profit before tax 2023	Effect on profit before tax 2022
	N'000	**N'000**
Increase/decrease in loss given default		
10%	-5,209	-
-10%	4,948	2,880

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2023	Effect on profit before tax 2022
	N'000	**N'000**
Increase/decrease in forecast default rate		
10%	(2,271)	(152)
-10%	2,271	152

3 Significant judgements and sources of estimation uncertainty (continued)
Staff loans (Continued)

Impairment testing

Assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates and growth rates.

Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property, plant and equipment as at 31 December 2023 and the management has not highlighted any requirement for an adjustment to the residual lives and
remaining useful lives of the assets for the current or future periods.

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 amendments

a) New standards and amendments applicable 1 January 2023

The following revisions to accounting standards and pronouncements that are applicable to the Company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, early adoption is permitted, the Company has elected not to early adopt any of them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

i Disclosure of Accounting , Policies Amendments to IAS 1 and IFRS Practice Statement 2

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose
financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The effective date is 1 January 2023.

ii Definition of Accounting Estimates Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The effective date is 1 January 2023.

Notes to the Consolidated and Separate Financial Statements

4 New standards and amendments (continued)

a) New standards and amendments applicable 1 January 2023

iii Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:
-right-of-use assets and lease liabilities, and
-decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The effective date is 1 January 2023.

iv OECD Pillar Two Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Antitaxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference
between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments also require affected companies to disclose:

-the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
-their current tax expense (if any) related to the Pillar Two income taxes, and
-during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

This is effective imediately.

The standards and ammendments detailed above did not have any impact on the amount recognised in the prior periods or current period.

b) New standards, ammendments, interpretations issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023.

i Classification of Liabilities as Current or Non-current Amendments to IAS 1 Non-current Liabilities with Covenants Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: the carrying amount of the liability information about the covenants, and facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the liability that could, at the option of the equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

Effective date is 1 January 2024.

Applicable to reporting periods commencing on or after the given date.

ii Lease Liability in a Sale and Leaseback Amendments to IFRS 16

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller- - lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Effective date is 1 January 2024.

iii Supplier finance arrangements Amendments to IAS 7 and IFRS 7

The IASB has issued new disclosure requirements about supplier financing s IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:
Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs flows and the exposure to liquidity risk. The new disclosures include information about the following:
The terms and conditions of SFAs. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers. The range of payment due dates for both the financial liabilities that
are part of SFAs, and comparable trade payables that are not part of such arrangements. Non-cash changes in the carrying amounts of financial liabilities in (b). Access to SFA facilities and concentration of liquidity risk with finance
providers. The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

Effective date is 1 January 2024.

iv Sale or contribution of assets between an investor and its associate or joint venture Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015, the IASB decided to defer the application date of this
amendment until such time as the IASB has finalised its research project on the equity method.

* Applicable to reporting periods commencing on or after the given date.

5 Revenue

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	N'000	N'000	N'000	N'000
Revenue from the sale of sugar - 50kg	426,446,502	390,985,952	426,446,502	390,985,952
Revenue from the sale of sugar - Retail	11,463,163	7,886,641	11,463,163	7,886,641
Revenue from the sale of molasses	2,287,502	2,147,585	2,287,502	2,147,585
Freight income	1,255,786	2,225,810	1,255,786	2,225,810
	441,452,953	**403,245,988**	**441,452,953**	**403,245,988**

All revenue is earned at a point in time.
Revenue allocated to unsatisfied performance obligations at 31 December 2023 are Nil (2022: Nil).

6 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.

6.1 Segmental revenue and results

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

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Group and Company	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
Nigeria:						
Lagos	204,537,432	173,039,994	(157,634,854)	(127,068,080)	46,902,579	45,971,914
North	182,681,754	178,811,926	(152,756,421)	(143,417,598)	29,925,333	35,394,328
West	38,563,925	34,622,781	(31,371,835)	(27,132,946)	7,192,090	7,489,835
East	15,669,842	16,771,287	(13,386,001)	(13,664,326)	2,283,841	3,106,961
	441,452,953	**403,245,988**	**(355,149,111)**	**(311,282,950)**	**86,303,843**	**91,963,038**

6 Segment information (Continued)

6.2 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 2023.

	Total Segment Assets		Total Segment liabilities	
	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
Group				
Nigeria:				
Lagos	419,905,296	335,604,623	393,320,469	191,500,745
North	180,884,630	159,116,850	128,223,670	116,469,137
Sub-total	**600,789,926**	**494,721,473**	**521,544,139**	**307,969,882**

	Total Segment Assets		Total Segment liabilities	
	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
Company				
Nigeria:				
Lagos	487,969,369	400,662,982	394,057,188	205,475,116
North	113,071,155	92,593,961	125,173,427	113,465,035
Sub-total	**601,040,524**	**493,256,943**	**519,230,615**	**318,940,151**

Included in the Lagos segment is asset held for sale of N868.6 million (2022: N868.6 million).

Information about major customers

The company has one customer whose sales make-up 25% of total revenue. Total revenue from the customer within the year is N110.36 billion and revenue from the customer is included in the Lagos region.

6 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 70% of the Group's revenue.

The Group provides a delivery service to customers by transporting refined sugar to other destinations. Freight income represents revenue earned in this respect during the year. The associated cost of providing this service is included in Cost of sales.

7 Cost of sales	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Raw material	296,027,663	256,326,637	296,027,663	256,326,637
Direct labour cost	7,341,252	6,656,813	7,341,252	6,656,813
Direct overheads	29,776,344	26,353,968	29,776,344	26,353,968
Depreciation	5,908,006	5,465,238	5,908,006	5,465,238
Freight expenses	16,095,846	16,480,294	16,095,846	16,480,294
	355,149,111	**311,282,950**	**355,149,111**	**311,282,950**

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	2,795,204	2,829,306	2,795,204	2,829,306

8 Administrative expenses

Management fees	1,465,659	958,431	1,465,659	958,431
Assessment rates and municipal charges	55,043	26,110	55,043	26,110
Auditors fees and remuneration	120,000	85,000	112,015	78,283
Cleaning and fumigation	85,301	74,651	85,301	74,651
Legal, consulting and professional fees	258,643	206,789	258,044	205,817
Consumables	13,154	12,253	13,154	12,253
Depreciation	1,221,880	1,436,964	198,612	519,484
Donations	228,740	324,928	191,165	324,928
Scholarship and sponsorships	65,725	16,692	65,725	16,692
Employee costs (note 36)	5,308,281	4,080,854	5,308,281	4,080,854
Entertainment	10,282	8,408	10,282	8,408
Insurance	536,765	385,867	536,765	385,867
Bank charges	365,886	263,062	365,154	260,879
Magazines, books, print and and periodicals	40,621	29,611	40,621	29,611
Utilities	284,451	235,643	284,451	235,643
Petrol and oil	113,385	53,935	113,385	53,935
Repairs and maintenance	968,296	373,457	968,296	348,106
Secretarial fees	43,415	39,717	43,415	39,717
Security expense	479,878	457,469	479,878	457,469
Staff welfare	72,196	44,794	72,196	44,794
Subscriptions	18,574	16,334	18,574	16,334
Sustainability Expenses	18,381	19,366	18,381	19,366
Telephone and fax	159,906	191,615	159,906	191,615
Training	111,840	60,599	111,840	60,599
Travel-local	1,009,366	769,600	1,009,366	769,600
Travel-overseas	225,057	138,193	225,057	138,193
	13,280,725	**10,310,342**	**12,210,566**	**9,357,639**

The depreciation stated above is after adjusting for depreciation writeback of N343,233,000 for both company and group. Actual depreciation is N1,565,113,000 for Group (N541,845,000 for company)

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

Selling and Distribution expenses

Selling and marketing expenses	644,496	741,408	644,496	741,408
	644,496	**741,408**	**644,496**	**741,408**

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
9 Finance income				
Interest income on bank deposits	10,559,617	6,379,475	10,559,616	6,379,475
	10,559,617	**6,379,475**	**10,559,616**	**6,379,475**

Interest is earned on bank deposits at an average rate of 5.9 % p.a. on short term (30days) bank deposits. (2022: 3.5% p.a.)

10 Finance cost

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Exchange loss in the ordinary course of business net of exchange gain	172,197,942	1,889,423	171,507,136	2,336,430
Finance cost on letter of credit	29,185,627	7,670,428	29,185,627	7,670,406
Interest on lease payments	51,102	113,552	51,102	112,808
Interest on intercompany loan	117,462	-	117,462	
Interest on bank loan	111,192	128,892	111,192	128,892
	201,663,325	**9,802,295**	**200,972,519**	**10,248,536**
10.1 The exchange loss above is analysed below:				
Realised	53,334,958	-	52,644,152	-
Unrealised	148,328,367	1,889,423	148,328,367	2,336,430
	201,663,325	**1,889,423**	**200,972,519**	**2,336,430**

11 Other income

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Insurance claim income	331,216	39,577	331,216	39,577
Sale of scrap	656,600	16,590	656,600	16,590
Grant income	43,719	65,109	43,719	65,109
Rental income	188,064	193,455	188,064	193,455
Provision no longer required	13,564	197,011	13,564	1,943
inventory adjustment variance	116	707,138	-	-
(Loss)/profit on sale of asset (Note 11.1)	-	174,602	-	174,602
Miscellaneous income	-	42,000	-	42,000
	1,233,279	**1,435,482**	**1,233,163**	**533,276**

Grant income arises as a result of the benefit received from below-market interest rate.

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

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Cost of assets disposed		(854,563)		(854,563)
Accumulated depreciation of assets disposed		826,003		826,003
Net book value disposed	**-**	**(28,560)**	**-**	**(28,560)**
Sales proceed received in consideration		203,162		203,162
Profit/(Loss) on sale of assets	**-**	**174,602**	**-**	**174,602**

12 Taxation

12.1 Major components of the tax expense

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Current Tax				
Income tax	9,900,487	22,587,806	9,900,487	22,587,806
Education tax expense	1,321,083	2,162,675	1,321,083	2,162,675
Police trust fund	-	4,095	-	4,095
	11,221,570	**24,754,576**	**11,221,570**	**24,754,576**
Deferred tax (Credit)/expense				
Deferred tax (credit)/expense recognised in the current year	(46,370,624)	1,832,477	(46,370,624)	1,832,477
Adjustments recognised in the current period in relation to the deferred tax of prior periods	(12,744)	973,632	(12,744)	973,632
	(35,161,798)	**27,560,685**	**(35,161,798)**	**27,560,685**

The tax rates used in the above comparative figures are the corporate tax rate of 30% (2022: 30%) payable by corporate entities in Nigeria. Education tax rate is also payable at 3% of assessable profit (2022: 2.5% of assessable profit) while Police trust fund is 0.005% (2022: 0.005%) of the net profit of the companies operating business in Nigeria.

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
12.2 Reconciliation of the tax expense				
Reconciliation between accounting (loss)/profit and tax expense				
Accounting (loss)/profit before tax	(108,922,106)	82,302,820	(107,161,258)	81,907,076
Income tax expense calculated at 30% of PBT	(32,676,631)	24,690,846	(32,148,377)	24,572,123
Tertiary education tax expense calculated at 3% of assessable profits	1,321,083	2,162,675	1,321,083	2,162,675
Effect of income that is exempt from taxation	(310,420)	(450,746)	(303,065)	(450,746)
Effect of investment allowance	(79,854)	(59,506)	(79,854)	(59,506)
Effect of expenses that are not deductible in determining taxable profit	372,122	292,468	347,172	292,468
Effect of Tax incentives	-	-	-	-
Effect of tax adjustments (minimum tax, defered tax))	-	-	-	-
Effect of change in TET rate	9,124	4,095	3,846	4,095
Adjustments recognised in the current period in relation to the deferred tax of prior periods	(15,008)	973,632	(12,744)	973,632
Adjustment recognised due to difference in tax rate	(4,310,583)	85,229	(4,289,859)	65,943
Income tax expense recognised in profit or loss	**(35,690,167)**	**27,698,695**	**(35,161,798)**	**27,560,685**

12.3 Current tax liabilities

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
At January 1	25,542,640	10,449,071	25,542,640	10,449,071
Prior year tax adjustment	(4,929)	-	-	-
Charge for the year	11,221,570	24,754,576	11,221,570	24,754,576
Payment made during the year	(22,313,700)	(9,661,007)	(22,313,700)	(9,661,007)
Balance end of the year	**14,445,581**	**25,542,640**	**14,450,510**	**25,542,640**

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.

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Deferred tax assets/(liabilities)				
Deferred tax assets/(liabilities) are attributable to the following:				
Property plant and equipment @ 30%	(13,667,444)	(12,866,209)	(13,667,444)	(12,866,209)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Provisions	1,123,365	827,496	1,123,365	827,496
Exchange difference @ 32%	48,944,928	-	48,944,928	-
Fair value adjustment	(3,133,677)	(1,077,483)	(3,133,677)	(1,077,483)
	33,145,294	**(13,238,074)**	**33,145,294**	**(13,238,074)**

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
Company and Group as at 31 December 2022				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	12,866,209	801,235	-	13,667,444
Property, plant and equipment @ 10%	121,878		-	121,878
Provisions	(827,496)	(295,869)	-	(1,123,365)
Exchange difference	-	(48,944,928)		(48,944,928)
Fair value adjustment	1,077,483	2,056,194	-	3,133,677
	13,238,074	**(46,383,368)**	**-**	**(33,145,294)**
Company and Group as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	11,913,613	952,596	-	12,866,209
Property, plant and equipment @ 10%	121,878	-	-	121,878
Exchange rate	(870,036)	42,540		(827,496)
Fair value adjustment	(802,447)	802,447	-	-
Provisions	68,956	1,008,527	-	1,077,483
	10,431,964	**2,806,110**	**-**	**13,238,074**

14 Operating profit

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

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
Depreciation of property, plant and equipment (note 16)	10,268,323	9,731,507	9,245,056	8,814,027
(Loss)/profit on sale of property, plant and equipment (note 11)	-	(174,602)	-	(174,602)
Defined contribution plans -direct employee cost (note 36)	312,622	287,014	312,622	287,014
Defined contribution plans -indirect employee cost (note 36)	191,595	162,205	191,595	162,205
Auditors remuneration	120,000	85,000	112,015	78,283

15 (Loss/Earnings per share

Basic and diluted (loss)/ earnings per share

Basic (loss)/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	GROUP	COMPANY	COMPANY
	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
(Loss)/Profit for the year	(73,742,700)	54,738,178	(71,999,460)	54,346,391
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 (Loss)/earnings per share from continuing operations (Naira)	(6.07)	4.51	(5.93)	4.47

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, 1/1/2022	**9,516,973**	**5,751,213**	**21,992,422**	**43,476,696**	**408,146**	**30,125,392**	**361,395**	**899,828**	**9,141,898**	**78,164,836**	**199,838,799**
Additions during the year	-	-	2,754,697	3,235,504	29,830	5,184,585	73,010	-	133,322	14,777,209	26,188,158
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,751,213**	**25,249,400**	**47,385,811**	**440,700**	**34,470,662**	**435,903**	**899,828**	**9,332,902**	**83,072,955**	**221,818,407**
Addition	33,274	475,499	53,073	1,279,768	77,483	485,106	129,659	-	99,877	16,881,155	19,514,894
Reclassifications	5,171,903	-	26,389	2,274,771	1,752	1,021	-	-	31,502	(7,507,338)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(268,623)	(268,623)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance, 31/12/2023	**19,984,209**	**6,226,712**	**25,328,862**	**50,940,350**	**519,935**	**34,956,789**	**565,562**	**899,828**	**9,464,281**	**92,178,151**	**241,064,678**
DEPRECIATION:											
Balance, 1/1/2022	**6,504,305**	**66,245**	**5,392,770**	**18,702,941**	**324,937**	**15,898,333**	**285,255**	**290,904**	**7,695,054**	**-**	**55,160,744**
Charge for the year	1,633,389	24,514	1,246,379	1,703,154	58,518	3,939,928	46,162	35,993	1,043,471	-	9,731,507
Written off/(back)	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	**8,137,694**	**90,759**	**6,639,149**	**20,406,095**	**383,455**	**19,002,785**	**331,417**	**326,897**	**8,738,525**	**-**	**64,056,775**
Charge for the year	2,629,974	24,514	1,274,650	2,265,650	64,452	3,405,079	75,674	35,993	492,336	-	10,268,323
Written off	-	-	-	-	-	(342,330)	(903)	-	-	-	(343,233)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance, 31/12/2023	**10,767,668**	**115,273**	**7,913,799**	**22,671,745**	**447,907**	**22,065,534**	**406,188**	**362,890**	**9,230,861**	**-**	**73,981,865**
NET BOOK VALUE:											
Balance, 31/12/2022	**6,641,338**	**5,660,454**	**18,610,251**	**26,979,716**	**57,245**	**15,467,877**	**104,486**	**572,931**	**594,377**	**83,072,955**	**157,761,632**
Balance, 31/12/2023	**9,216,541**	**6,111,439**	**17,415,063**	**28,268,605**	**72,028**	**12,891,255**	**159,374**	**536,938**	**233,420**	**92,178,151**	**167,082,813**

The depreciation expenses have been charged as follows:	**N'000**
Depreciation charge per Cost of sales	5,908,006
Depreciation charge per Freight expenses	2,795,204
Depreciation charge per Administrative expenses	1,565,113
	10,268,323

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, 1/1/2022	**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**	**137,929,599**
Additions during the year	-	-	81,338	1,118,915	29,830	4,943,352	72,344	-	133,322	15,674,832	22,053,932
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,146,460**	**19,160,729**	**38,811,125**	**440,908**	**32,653,164**	**421,357**	**899,828**	**7,507,559**	**35,954,820**	**155,774,981**
Additions during the year	33,274	475,499	51,805	1,279,768	60,619	472,329	122,083	-	99,877	14,057,033	16,652,286
Reclassifications	5,171,903	-	26,389	2,274,771	1,752	1,021	-	-	31,502	(7,507,338)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(268,623)	(268,623)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance, 31/12/2023	**19,984,209**	**5,621,959**	**19,238,923**	**42,365,664**	**503,279**	**33,126,514**	**543,440**	**899,828**	**7,638,938**	**42,235,892**	**172,158,644**
DEPRECIATION:											
Balance, 1/1/2022	**6,504,305**	**66,245**	**5,087,448**	**19,863,922**	**347,763**	**16,339,834**	**278,305**	**290,904**	**5,321,691**	**-**	**54,100,418**
Charge for the year	1,633,389	-	1,135,579	1,362,400	31,702	3,543,484	42,445	35,993	1,029,034	-	8,814,027
Written off/(back)	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Impaired	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	**8,137,694**	**66,245**	**6,223,027**	**21,226,322**	**379,465**	**19,047,842**	**320,750**	**326,897**	**6,350,725**	**-**	**62,078,969**
Charge for the year	2,629,974	-	1,119,370	1,883,144	31,939	2,996,549	70,168	35,993	477,917	-	9,245,056
Written off	-	-	-	-	-	(342,330)	(903)	-	-	-	(343,233)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance, 31/12/2023	10,767,668	66,245	7,342,397	23,109,466	411,404	21,702,061	390,015	362,890	6,828,642	-	**70,980,792**
NET BOOK VALUE:											
Balance, 31/12/2022	**6,641,337**	**5,080,215**	**12,937,702**	**17,584,803**	**61,443**	**13,605,322**	**100,607**	**572,931**	**1,156,834**	**35,954,820**	**93,696,013**
Balance, 31/12/2023	**9,216,541**	**5,555,714**	**11,896,526**	**19,256,198**	**91,875**	**11,424,453**	**153,425**	**536,938**	**810,296**	**42,235,892**	**101,177,858**

The depreciation expenses have been charged as follows:	**N'000**
Depreciation charge per Cost of sales	5,908,006
Depreciation charge per Freight expenses	2,795,204
Depreciation charge per Administrative expenses	541,846
	9,245,056

16 Property, Plant and Equipment (continued)

Purchase of PPE per schedule and cashflow	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
16.1 Purchase of PPE per schedule (note 16)	19,514,894	26,188,157	16,652,286	22,053,932
Addition to lease liabilities (note 31.1)	-	(36,261)	-	(16,261)
Purchase of PPE per cashflow statement	**19,514,894**	**26,151,896**	**16,652,286**	**22,037,671**

16.2 Property plant and equipment adjustment represents correction journals used to correct already existing entries in the Capital work in progress as a result of Vendors reconciliations .The other entries from the Capital work in progress adjustments are in the Vendors Accounts

16.3 Borrowing cost capitalised to property, plant and equipment for the Company was Nil (2022: Nil)

16.4 Management has assessed its items of property, plant and equipment for impairment and has not identified any impairment. Therefore, no impairment loss was recognised during the year (2022: Nill).

16.5 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 1/1/2022	228,865	3,737,712	228,865	3,633,759
Additions during the year	-	36,261	-	16,261
Balance, 31/12/2022	**228,865**	**3,773,973**	**228,865**	**3,650,020**
Additions during the year	-	-	-	-
Modifications/reassessments during the year			77,860	22,859
Balance, 31/12/2023	**228,865**	**3,773,973**	**306,725**	**3,672,879**
DEPRECIATION:				
Balance as at 1/1/2022	138,888	1,934,191	138,888	1,866,935
Depreciation charge for the year	-	869,157	-	809,671
Balance, 31/12/2022	**138,888**	**2,803,348**	**138,888**	**2,676,606**
Depreciation charge for the year	53,123	788,267	53,123	742,676
Balance, 31/12/2023	**192,011**	**3,591,615**	**192,011**	**3,419,282**
NET BOOK VALUE:				
Balance, 31/12/2022	**89,977**	**970,625**	**89,977**	**973,414**
Balance, 31/12/2023	**36,854**	**182,358**	**114,714**	**253,597**

17 Biological assets

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Carrying value at the beginning of the year	6,942,660	4,655,554	6,942,660	4,655,554
Net (usage)/addition	(1,974,223)	(1,028,227)	(1,974,223)	(1,028,227)
Fair value adjustments	9,495,990	3,315,333	9,495,990	3,315,333
Carrying amount at the end of the year	**14,464,427**	**6,942,660**	**14,464,427**	**6,942,660**

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 Dec 2023, the group has a total of 8,283 hectares of growing canes.(2022: 8,092 hectares)

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	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Industry out-grower price. (N per ton)	34,899	17,874	34,899	17,874
Average yield per hectare (tonnes)	83.44	81.90	83.44	81.90
Discount rate (%)	15.01%	15.46%	15.01%	15.46%

Changes in fair value of the biological assets 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.

	31/12/2023 N'000	31/12/2022 N'000
Industry out-grower price		
impact of change		
-10%	(1,539,418)	(760,742)
+10%	1,539,418	760,742
Average yield per hectare (tonnes)		
impact of change		
-10%	(1,473,846)	(717,498)
+10%	1,473,846	717,498
Discount rate		
impact of change		
-10%	63,536	30,688
+10%	(62,239)	(30,037)
Gross profit		
impact of change		
-10%	(1,509,649)	(744,289)
+10%	1,509,649	744,289

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 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
18 Other assets				
Prepaid insurance	91,753	150,551	90,357	144,426
Prepaid housing allowances	42,269	39,407	42,269	39,407
Prepaid medicals	32,126	64,145	32,126	64,145
Others	578,860	50,076	578,860	49,951
	745,008	**304,179**	**743,612**	**297,929**

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
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.

The Management of DSR assess that the land's value has not been impaired or diminished since the last valuation carried out on 19th August 2021 by international Land Economists, KNIGHT FRANK LLP, as the opportunities presented in the valuation remain valid. The political stability of the country, Algeria, where the land is located has also improved since the valuation. The DSR Management therefore assess the fair value of the land remains the same as the value presented in the valuation report by KNIGHT FRANK LLP.

The conversion rate between Algerian Dinar and the US dollar as at 31st December 2023 was Algerian Dinar 1,000:US Dollar $7.4423 (31 December 2022: AD 1,000: US Dollar $ 7.370) which shows that there has not been any significant devaluation of the Algerian local currency against the USD $, and as explained above under the Basis of Management assessment, the local land value has also not depreciated or devalued.

20 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company				Carrying amount	
Name of Company	Held by	Principal Activity	% interest	December 2023	December 2022
				N'000	N'000
Dangote Taraba Sugar Limited	Dangote Sugar Refinery Plc		99	99,000	99,000
Dangote Adamawa Sugar Limited	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

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

Subsidiaries with non-controlling interest

The following information is provided for subsidiaries with non-controlling interest which are material to the reporting company. The summarized financial information is provided prior to intercompany eliminaton.

Subsidiaries	Country of Incorporation	% Ownership Interest held by non-controlling interest	
		2023	2022
BIP - Dangote Adamawa Sugar Limited	Nigeria	1%	1%
BIP - Nasarawa Sugar Company Limited	Nigeria	1%	1%
BIP - Dangote Taraba Sugar Limited	Nigeria	1%	1%

2023

Summarised consolidated and separate statements of financial position	Non current asset	current asset	Total assest	Non current liabilities	Current liabilities	Total liabilities
	N.mil	N.mil	N.mil	N.mil	N.mil	N.mil
BIP - Dangote Adamawa Sugar Limited	28,025,394	7	28,025,401	642,385	606,835	1,249,220
BIP - Nasarawa Sugar Company Limited	36,615,931	1,638,491	38,254,422	41,768	2,205,722	2,247,490
BIP - Dangote Taraba Sugar Limited	1,998,474	62	1,998,536	-	17,428	17,428
Total	**66,639,799**	**1,638,560**	**68,278,359**	**684,153**	**2,829,985**	**3,514,138**

Summarised consolidated and separate statement of profit or loss and other comprehensive income	Revenue	Profit/(Loss) before tax	Tax expense	Profit/(Loss) before tax	Other comprehensive income	Total Comprehensive Income
	N.mil	N.mil	N.mil	N.mil	N.mil	N.mil
BIP - Dangote Adamawa Sugar Limited	-	(2,667)	-	-	-	(2,667)
BIP - Nasarawa Sugar Company Limited	-	(1,753,860)	-	-	-	(1,753,860)
BIP - Dangote Taraba Sugar Limited	-	(4,322)	-	-	-	(4,322)
Total	**-**	**(1,760,849)**	**-**	**-**	**-**	**(1,760,849.00)**

2022

Summarised consolidated and separate statements of financial poition	Non current asset	current asset	Total assest	Non current liabilities	Current liabilities	Total liabilities
	N.mil	N.mil	N.mil	N.mil	N.mil	N.mil
BIP - Dangote Adamawa Sugar Limited	27,848,053	-	27,848,053	636,996	631,569	1,268,565
BIP - Nasarawa Sugar Company Limited	34,951,419	2,182,742	37,134,161	41,767	2,140,923	2,182,690
BIP - Dangote Taraba Sugar Limited	2,000,987	62	2,001,049	-	17,162	17,162
Total	**64,800,459**	**2,182,804**	**66,983,263**	**678,763**	**2,789,654**	**3,468,417**

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 Limited, Dangote Adamawa Sugar Limited 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	Company 31/12/2023 N'000	Company 31/12/2022 N'000
Nasarawa Sugar Company Limited	38,501,929	35,602,607
Dangote Adamawa Sugar Limited	26,633,922	26,524,563
Dangote Taraba Sugar Limited	1,899,440	1,897,898
	67,035,291	**64,025,068**

Notes to the Consolidated and Separate Financial Statements

Funding during the year is as follows:	31/12/2022
	N'000
Nasarawa Sugar Company Limited	2,899,321
Dangote Adamawa Sugar Limited	109,360
Dangote Taraba Sugar Limited	1,542
	3,010,223

22 Inventories

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	N'000	N'000	N'000	N'000
Raw materials	3,883,257	11,032,640	3,775,950	10,921,054
Raw material in transit	33,361	37,330	33,361	37,330
Work-in-process	5,255,524	2,418,224	5,255,524	2,418,224
Finished goods	9,758,308	5,060,699	9,758,308	5,060,699
Finished goods in transit	2,158,972	1,879,649	2,158,972	1,879,649
Production supplies	20,823,332	18,679,161	20,051,519	17,888,377
Chemicals and consumables	5,551,692	5,029,616	5,575,208	5,054,968
Packaging materials	796,483	470,825	796,483	470,825
	48,260,929	**44,608,144**	**47,405,325**	**43,731,126**
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)
	47,916,853	**44,264,068**	**47,061,249**	**43,387,050**
Movement in provision for obsolete inventory				
As at 1 January	(344,076)	(344,076)	(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:	-	-	-	

No inventory was pledged as security for any liability.

23 Trade and other receivables

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Trade receivables	5,911,204	4,651,950	5,911,204	4,651,950
Allowance for doubtful debts and impairments	(435,350)	(131,462)	(435,350)	(131,462)
	5,475,854	**4,520,488**	**5,475,854**	**4,520,488**
Staff loans and advances	431,210	384,473	426,254	377,992
Allowance for impaired staff advances	(51,513)	(69,289)	(51,513)	(69,289)
Allowance for impaired staff loans (Note 23.2)	(37,752)	(23,950)	(37,752)	(23,950)
Other financial assets	99,821,153	83,031,542	99,783,327	82,572,232
Advance payment to contractors	3,499,078	2,796,730	3,307,346	2,624,986
Insurance claim receivable	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(373,388)	(373,388)	(373,388)
Negotiable Duty Credit Certificates (Note 23.1)	623,592	623,592	623,592	623,592
Other receivables	16,713,881	13,105,852	16,713,881	13,105,852
Receivable from Olam Group	-	602,997	-	602,997
Allowance for impaired receivables from Olam Group	-	(602,997)	-	(602,997)
Amount due from related parties (Note 35)	6,175,692	3,303,865	6,175,692	3,303,865
Allowance for impaired -related parties Trade(Note 23.2)	(79,396)	-	(79,396)	-
Allowance for impaired -related parties Non-Trade(Note 23.2)	(767,613)	(238,412)	(767,613)	(238,412)
	131,804,186	**107,434,891**	**131,569,672**	**106,797,356**

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due. Trade receivables are non-interest bearing and are generally on terms of 0 - 30 days.

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 2023 fiscal year is N618,273,222.32 made to related parties for Company (Group: N618,273,222.32)(31 December 2022: Company -N315,944,294 and Group- N315,944,294)

23.1 Negotiable duty credit certificate

The Company has received certificates for N707 million termed as Negotiable Duty Credit Certificate (NDCC).However, N83.5 Million matured during the year which reduced the balance to N623.6 Million.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

Group and Company	Insurance claim	Impairment losses				
		Trade receivables	Related party		Staff loans	Total
			Trade-related	Non-trade related		
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the year		(338,477)	(389,301)	61,244	-	(666,534)
Balance as at 31/12/2022	373,388	131,462	-	238,412	23,950	767,212
Balance as at 1/1/2023	373,388	131,462	-	238,412	23,950	767,212
Increase in allowance for credit losses for the year	-	303,889	79,396	529,201	13,802	926,288
Balance as at 31/12/2023	373,388	435,351	79,396	767,613	37,752	1,693,500

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

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Balance at the beginning of the year	1,370,210	1,433,747	1,370,210	1,433,747
Impairment loss/(gain) recognised in profit or loss	926,288	(63,537)	926,288	(63,537)
Balance at the end of the year	**2,296,498**	**1,370,210**	**2,296,498**	**1,370,210**

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 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Cash in hand	4,541	4,047	2,400	2,400
Bank balances	39,898,646	20,782,004	39,815,563	20,583,473
Short term deposits	161,859,516	151,682,243	161,859,516	151,682,243
Nigerian Treasury bill	3,000,000	2,390,000	3,000,000	2,390,000
	204,762,703	**174,858,294**	**204,677,479**	**174,658,116**

24.1 Unclaimed dividend

In line with Security Exchange Commission Regulations, The total sum of NGN 39,268,052.50 (Thirty Nine Million, Two Hundred and sixty Eight Thousand and Fifty Two, Fifty Kobo) was received from the registrars in 2023. (39,269,313.80 in 2022)This amount represents 90% of Year 2021 unclaimed dividend that has aged above 15 months. This entire sum is included within the investment in treasury bills (note 24 above).

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Authorised:				
Balance at January 1 (15,000,000,000 Ordinary shares of N0.50 each)	6,073,439	7,500,000	6,073,439	7,500,000
Cancellation during the year		(1,426,561)	-	(1,426,561)
Balance at December 31	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**
Allotted, called up issued and fully paid:				
Balance at January 1 (12,146,878,239 Ordinary shares of N0.50 each)	6,073,439	6,073,439	6,073,439	6,073,439
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.

	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
26 Retained earnings				
Balance at January 1	158,845,239	116,253,935	159,635,723	117,436,206
Profit/(Loss) for the year	(73,742,700)	54,738,178	(71,999,460)	54,346,391
Dividend paid during the year	(18,220,317)	(12,146,874)	(18,220,317)	(12,146,874)
Balance at December 31	**66,882,222**	**158,845,239**	**69,415,946**	**159,635,723**

Dividend recognised as distribution to owners in year 2022 is at N1.10 per every ordinary share held (2021: N1.00 per share).

27 Non-controlling interest				
Balance brought forward	(12,790)	(16,747)	-	-
Share of profit/(loss) for the year	(17,608)	3,957	-	-
Total	**(30,398)**	**(12,790)**	**-**	**-**

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		GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
28	**Borrowings**				
	Held at amortised cost				
	Bank loan	531,563	775,282	531,563	775,282
		531,563	**775,282**	**531,563**	**775,282**
	Non-current liabilities	246,109	531,563	246,109	531,563
	Current liabilities	285,454	243,719	285,454	243,719
		531,563	**775,282**	**531,563**	**775,282**
	Movement of bank Loans				
	Balance brought forward	775,282	984,487	775,282	984,487
	Accrued interest	111,192	128,892	111,192	128,892
	Interest payment on bank loans	(67,473)	(63,783)	(67,473)	(63,783)
	Principal repayment	(287,438)	(274,314)	(287,438)	(274,314)
		531,563	**775,282**	**531,563**	**775,282**

Details of Borrowing

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. The interest rate was reduced to 5% in Q2 2020 as part of COVID 19 palliative. However, it was subsequently reviewed back to 9% in Q3 2022. 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 were 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 were measured using the Project Unit Credit Method.

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

Movement in gratuity	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Balance as at 1 January	762,567	766,265	762,567	766,265
Benefits paid from plan	(50,520)	(3,698)	(50,520)	(3,698)
Balance as at 31 December	**712,047**	**762,567**	**712,047**	**762,567**

Defined contribution plan

The Group operates a defined contribution retirement 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.

		GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
30	**Trade and other payables**				
	Trade payables	13,608,714	7,560,689	12,973,474	7,191,247
	Letters of Credit	411,735,375	218,242,613	410,980,514	217,301,321
	Dividend Payable	1,634,780	1,556,243	1,634,780	1,556,243
	Accruals and sundry creditors	34,276,333	21,291,777	34,109,875	21,067,297
	Other credit balances	6,605,632	11,268,253	6,571,090	11,244,335
	Due to related parties (Note 35)	20,001,610	13,827,181	19,328,586	13,166,629
		487,862,444	**273,746,756**	**485,598,319**	**271,527,072**

		GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
31	**Other Liabilities**				
	Advance payment for goods (contract liabilities)	17,792,296	6,161,493	17,792,296	6,161,493
31.1	**Lease Liability**	200,208	981,142	145,880	933,022

Lease liabilities

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Opening balance as at 1 January	981,142	2,354,879	933,022	2,306,439
Additions	-	36,261	-	16,261
Modifications/reassessments during the year	100,719	-	100,719	-
Interest expense	57,310	113,552	51,102	112,808
Exchange Difference	859,078	-	859,078	-
Payments made during the year	(1,798,041)	(1,523,550)	(1,798,041)	(1,502,486)
Closing balance as at 31 December	**200,208**	**981,142**	**145,880**	**933,022**
Current	116,260	981,142	61,932	933,022
Non-current	83,948	-	83,948	-
	200,208	**981,142**	**145,880**	**933,022**

31.1.0 Principal payment of lease interest per cashflow is derived as below:

Payments made during the year	(1,798,041)	(1,523,550)	(1,798,041)	(1,502,486)
Interest expense	57,310	113,552	51,102	112,808
	(1,740,731)	**(1,409,998)**	**(1,746,939)**	**(1,389,678)**

31.1.1 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Depreciation charge on right of use assets				
Land	53,123	72,643	53,123	72,643
Buildings	788,267	731,844	742,676	703,319
	841,390	**804,487**	**795,799**	**775,962**
Interest expense (included in finance cost)	57,310	182,969	51,102	179,242
Foreign exchange difference	859,078	211,741	859,078	211,741
Expense related to short term leases (included in administrative expenses)	-	20,486	-	20,486

31.1.2 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Lease liability - Undiscounted cashflows				
0-3 months	60,994	75,664	60,994	75,664
3-12 months	74,532	-	74,532	-
1-2 years	85,514	-	85,514	-
	221,040	75,664	221,040	75,664

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 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Other income				
Rental income on operating lease (Note 11)	188,064	193,455	188,064	193,455

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 2023 (see below).

The Group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

i. Debt is defined as both current and non-current borrowings.

ii. Equity includes all capital and reserves of the Company that are managed as capital.

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 2023) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the as at 31 December 2023 plus net debt.

The gearing ratio at 2023 and 2022 respectively were as follows:

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Total borrowings				
Borrowings (Note 28)	531,563	775,282	531,563	775,282
Less: Cash and cash equivalent (Note 24)	(204,762,703)	(174,858,294)	(204,677,479)	(174,658,116)
Net Cash	(205,294,266)	(175,633,576)	(205,209,042)	(175,433,398)
Total Equity	79,245,787	213,144,719	81,809,909	213,552,248
Gearing ratio	N/A	N/A	N/A	N/A

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

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the group's short, medium and long-term funding and liquidity management requirements.

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 2023	**Less than one year N'000**	**More than one year N'000**	**Total N'000**
Borrowings	285,454	246,109	531,563
Letters of Credit	411,735,375	-	411,735,375
Lease liability	116,260	83,948	200,208
Trade and other payables	76,127,069	-	76,127,069
	488,264,158	**330,057**	**488,594,215**
At 31 December 2022			
Borrowings	243,719	531,563	775,282
Letters of Credit	218,242,613	-	218,242,613
Lease liability	981,142	-	981,142
Trade and other payables	55,504,145	-	55,504,145
	274,971,619	**531,563**	**275,503,182**

Company

At 31 December 2023	**Less than one year N'000**	**More than one year N'000**	**Total N'000**
Borrowings	285,454	246,109	531,563
Letters of Credit	410,980,514	-	410,980,514
Lease liability	61,932	83,948	145,880
Trade and other payables	74,617,806	-	74,617,806
	485,945,706	**330,057**	**486,275,763**
At 31 December 2022			
Borrowings	243,719	531,563	775,282
Letters of Credit	217,301,321	-	217,301,321
Lease liability	933,022	-	933,022
Trade and other payables	54,225,751	-	54,225,751
	272,703,813	**531,563**	**273,235,376**

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

In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

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.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts

Concentration of risk

32% of the trade receivables are due from a single customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

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 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Trade receivables	5,475,854	4,520,488	5,475,854	4,520,488
Other receivables	17,055,826	13,397,086	17,050,870	13,390,605
Deposit for open Letters of Credit with the banks.	99,821,153	83,031,542	99,783,327	82,572,232
Amount due from related party	5,328,683	3,065,453	5,328,683	3,065,453
Cash and cash equivalents	204,762,703	174,858,294	204,677,479	174,658,116
	332,444,219	**278,872,863**	**332,316,213**	**278,206,894**

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.

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	4,232,788	1,168,108	361,336	105,514	43,458	5,911,204
Default rate	0.8%	9.76%	51.21%	55.32%	100%	
Lifetime ECL	(34,520)	(113,975)	(185,031)	(58,367)	(43,457)	(435,350)
Total	**4,198,268**	**1,054,133**	**176,305**	**47,147**	**1.03**	**5,475,854**

The expected loss rates as at 31 December 2022 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	4,076,512	468,543	13,132	84,333	9,431	4,651,950
Default rate	1%	8%	46%	48%	100%	
Lifetime ECL	(36,139.40)	(39,169.01)	(5,976.40)	(40,746)	(9,431)	(131,462)
Total	**4,040,372**	**429,374**	**7,156**	**43,586.60**	**-**	**4,520,488**

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 2023 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	146,228	-	-	39,439	-	185,667
Default rate	35.64%	39.06%	43.65%	69.17%	100%	
Lifetime ECL	(52,117)	-	-	(27,280)	0	(79,397)
Total	**94,111**	**-**	**-**	**12,159**	**-**	**106,270**

No impairment charge as at 31 December 2022

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 2023

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	4,658,145			4,658,145
Loss allowance as at 31 December 2023	(767,613)			(767,613)
Net EAD	**3,890,532**	**-**	**-**	**3,890,532**

32 Risk management (continued)

December 31 2022

	Stage 1 12-month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
Gross EAD*	5,094,611	-	-	5,094,611
Loss allowance as at 31 December 2022	(238,412)	-	-	(238,412)
Net EAD	**4,856,199**	**-**	**-**	**4,856,199**

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 2023	**Stage 1 12-month ECL N'000**	**Stage 2 Lifetime ECL N'000**	**Stage 3 Lifetime ECL N'000**	**Total N'000**
Gross EAD*	369,055			369,055
Loss allowance as at 1 January 2023	(37,752)			(37,752)
Net EAD	**331,303**	**-**	**-**	**331,303**

December 31 2022	**Stage 1 12-month ECL N'000**	**Stage 2 Lifetime ECL N'000**	**Stage 3 Lifetime ECL N'000**	**Total N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2022	-	(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 2022 and 31 December 2023 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 2022 and 31 December 2023 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	GROUP	COMPANY	COMPANY
	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
BBB-	22,040,974	-	22,038,833	-
BB-	1,365	1,365	1,365	1,365
B-	104,921,889	121,243,361	104,891,740	121,043,183
B	-	11,856,778	-	11,856,778
B+	4,556,422	-	4,556,422	-
BBB	40,621,037	8,190,912	40,568,104	8,190,912
BBB+	1,130,002	16,477,562	1,130,002	16,477,562
A	2,276,135	733,785	2,276,135	733,785
A+	2,375,241	7,207,952	2,375,241	7,207,952
AA	22,084,852	8,441,050	22,084,852	8,441,049
AAA	4,754,785	705,530	4,754,785	705,530
No rating	-	-	-	2,400
	204,762,703	**174,858,294**	**204,677,479**	**174,660,516**

****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:

	31/12/2023			31/12/2022		
Company	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**
Cash and cash equivalents	-	8,495	2,608,960	-	5,738	14,779,740
Letters of Credit	(1,334,125)	(1,844,831)	(320,725,867)	(1,186)	(1,417)	(214,236)
Trade payables	(240,995)	(1,936,449)	(25,125,939)	(215,838)	(167,708)	(188,983,087)
Amount due from/(to) related parties	(533,258)	1,576,430	(112,737)	621,742	(1,209,758)	843,955
Net exposure	**(2,108,378)**	**(2,196,355)**	**(343,355,583)**	**404,718**	**(1,373,145)**	**(173,573,628)**
Group						
Cash and cash equivalents	-	8,495	2,609,174	-	5,738	14,779,741
Letters of Credit	(1,334,125)	(1,844,831)	(321,450,674)	(1,186)	(1,417)	(214,911)
Trade payables	(241,036)	(1,936,603)	(25,165,723)	(239,378)	(261,794)	(189,622,418)
Amount due from/(to) related parties	(533,258)	1,576,430	(112,737)	621,742	(1,209,758)	843,955
Net exposure	**(2,108,419)**	**(2,196,509)**	**(344,119,960)**	**381,178**	**(1,467,231)**	**(174,213,633)**

The Group’s exposure to foreign currency risk is largely concentrated in the US Dollar. 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	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
	N	**N**	**N**	**N**
Euro (€)	740.15	479.64	988.53	491.76
GBP (£)	847.68	555.51	1,140.77	554.59
USD ($)	706.45	448.05	951.79	461.10

Sensitivity analysis on foreign currency

A Thirty Nine percent (39%) weakening of the Naira against the Dollar at 31 December 2023 (31 December 2022: 39%*) would have decreased the profit before tax and retained earning by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Company considered to be reasonably possible at the end of the reporting period. There are challenges faced in sourcing for adequate quantity of foreign currencies from the official markets resulting in slowdown of business operations when foreign currencies required to purchase production materials are not available. The analysis assumes that all other variables, in particular interest rates, remain constant.

*A thirty nine percent (39%) weakening of the Naira, against the Euro, Dollar and GBP was used at 31 December 2022

	Effect of 39% increase on profit before tax			
	GROUP	**GROUP**	**COMPANY**	**COMPANY**
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
	N'000	**N'000**	**N'000**	**N'000**
	N'000	**N'000**	**N'000**	**N'000**
Euro (€)	(1,098,233)	20,596	(1,098,212)	27,651
GBP (£)	(1,152,826)	(285,774)	(1,152,745)	(253,977)
USD ($)	(180,816,165)	(49,073,291)	(180,414,526)	(48,893,461)

32 Risk management (continued)

32.1 Fair Value Information

Group
31 December, 2023
Amounts in (N'000)

	Carrying amount				Fair Value			
	Fair value - through - PL	Financial assets measured at amortised cost	Fair value through-OCI	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade and other receivables	-	131,804,186	-		-	131,804,186		
cash and cash equivalents	-	204,762,703	-		204,762,703	-		
	-	**336,566,889**	**-**	**-**	**204,762,703**	**131,804,186**	**-**	**-**
Financial liabilities not measured at fair value								
Borrowings	-	285,454	-		-	285,454		
Trade and other payables	-	487,862,445	-		-	487,862,445		
Lease Liability	-	200,208	-		-	200,208		
	-	**488,348,107**	**-**	**-**	**-**	**488,348,107**	**-**	**-**

Group
31 December, 2022
Amounts in (N'000)

	Fair value - through - PL	Financial assets measured at amortised cost	Fair value through-OCI	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade and other receivables	-	107,434,891	-		-	107,434,891		
cash and cash equivalents	-	174,858,294	-		174,858,294	-		
	-	**282,293,185**	**-**	**-**	**174,858,294**	**107,434,891**	**-**	**-**
Financial liabilities not measured at fair value								
Borrowings	-	243,719	-		-	243,719		
Trade and other payables	-	273,746,756	-		-	273,746,756		
Lease Liability	-	981,142	-		-	981,142		
	-	**274,971,617**	**-**	**-**	**-**	**274,971,617**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

33 Financial assets by category

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

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Assets				
Trade and other receivables	127,681,516	104,014,569	127,638,734	103,548,778
Cash and cash equivalents	204,762,703	174,858,294	204,677,479	174,658,116
	332,444,219	**278,872,863**	**332,316,213**	**278,206,894**

34 Financial liabilities by category

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Liabilities				
Borrowings	531,563	775,282	531,563	775,282
Lease liabilities	200,208	981,142	145,880	933,022
Trade and other payables	487,862,444	273,746,756	485,598,319	271,527,072
	488,594,215	**275,503,180**	**486,275,762**	**273,235,376**

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 Shipping Lines Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Dangote Taraba Sugar Limited	Subsidiary- Backward integrated project
Dangote Adamawa Sugar Limited	Subsidiary- Backward integrated project
Nasarawa Sugar Company Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited	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
Greenview International Corp.	Ultimate parent company
Dancom Technologies Limited	Fellow subsidiary - Supply of IT services
AG Dangote construction Limited	Entity under common control
Dangote Rice Limited	Entity under common control
MHF Properties Limited	Fellow subsidiary - Property rentals.
Greenview Development Nig. 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 Sinotruk West Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Fertiliser Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished sugar.

The ultimate control party is Alhaji Aliko Dangote who owns Greenview International Corp. of Cayman Island which has 66.7% ownership interest in the Dangote Sugar Refinery.

35 Related party information (continued)

35.2 Related party transactions and balances

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
i) Sales of goods and services				
Dangote Fertiliser Limited	800	-	800	-
Dangote Industries Limited	163,991	133,031	163,991	133,031
Bluestar Shipping Lines Limited	431	216	431	216
NASCON Allied Industries Plc	486,079	509,259	486,079	509,259
Greenview Development Nig. Limited	-	104,183	-	104,183
Aliko Dangote Foundation	214,092	126,830	214,092	126,830
Dangote Cement Plc	74,885	100,976	74,885	100,976
	940,278	**974,495**	**940,278**	**974,495**
ii) Purchase of goods and services				
Dangote Cement Plc	8,011,427	5,829,807	8,011,427	5,829,807
Greenview Development Nig. Limited	4,687,429	5,365,226	4,687,429	5,365,226
Dangote Packaging Limited	3,893,980	3,954,525	3,893,980	3,954,525
Kura Holdings Limited	50,117	24,340	50,117	24,340
Bluestar Shipping Lines Limited	731,751	580,225	731,751	580,225
Dangote Oil and Gas Company Limited	1,145	-	1,145	-
Dangote Global Services Limited	587,139	515,176	587,139	515,176
NASCON Allied Industries Plc	455,808	279,134	455,808	279,134
Dancom Technologies Limited	74,014	130,554	74,014	130,554
MHF Properties Limited	2,071	1,116	2,071	1,116
Dangote Sinotruk West Africa Limited	64,622	261	64,622	261
Dangote Industries Limited	794,603	4,038,434	794,603	4,038,434
	19,354,106	**20,718,798**	**19,354,106**	**20,718,796**
iii) Rental services				
Dangote Adamawa Sugar	90,000,000	-	90,000,000	-
NASCON -Allied Industry	67,500,000	-	67,500,000	-
	157,500,000	**-**	**157,500,000**	**-**
iv) Management fees				
Dangote Industries Limited	1,465,659	958,431	1,465,659	958,431
	1,465,659	**958,431**	**1,465,659**	**958,431**

35 Related party information (continued)

iv) Amount owed by related parties	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Dangote Global Services Limited	614,158	530,604	614,158	530,604
NASCON Allied Industries Plc	209,735	128,461	209,735	128,461
Greenview Development Nig. Limited	1,407,175	521,470	1,407,175	521,470
Bluestar Shipping Lines Limited	-	39,652	-	39,652
Dangote Oil and Gas Company Limited	458,176	-	458,176	-
Kura Holdings Limited	1,792	-	1,792	-
MHF Properties Limited	309	-	309	-
AG Dangote Construction Limited	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	72,000	110,042	72,000	110,042
Dangote Cement Plc	2,453,217	1,014,506	2,453,217	1,014,506
Dangote Industries Limited	-	-		-
Gross amount due from related parties (Note 23)	**6,175,692**	**3,303,865**	**6,175,692**	**3,303,865**
Allowance for impaired -related parties Trade(Note 23.2)	(79,396)	-	(79,396)	-
Allowance for impaired -related parties Non-Trade(Note 23.2)	(767,613)	(238,412)	(767,613)	(238,412)
Net amount due from related parties	5,328,683	3,065,453	5,328,683	3,065,453

v) Amount owed to related parties	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Dangote Cement Plc	12,055,635	7,673,487	11,385,841	7,016,166
Dangote Packaging Limited	632,036	431,175	632,036	431,175
Kura Holdings Limited	-	3,446	-	3,446
Dangote Fertiliser Limited	176,812	1,011,888	176,812	1,011,888
Bluestar Shipping Lines Limited	24,327	-	24,327	-
Dangote Oil and Gas Company Limited	-	(253,514)	-	(253,514)
Dangote Refinery	-	11,894	-	11,894
Dancom Technologies Limited	32,124	26,807	28,894	23,576
MHF Properties Ltd	-	87	-	87
Dangote Sinotruk West Africa Limited	452	-	452	-
Dangote Industries Limited	7,080,224	4,921,911	7,080,224	4,921,911
	20,001,610	**13,827,181**	**19,328,586**	**13,166,629**

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 payments 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 2023.

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	Hajiya Mariya Dangote	Board Member (Executive 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)
10	Mrs. Yabawa Lawan Wabi	Board Member (Director)

List of key management personnel

		2023	2022
1	Group Managing Director/CEO	Mr. Ravindra Singhvi	Mr. Ravindra Singhvi
2	Executive Director	Hajiya Mariya Dangote	NA
3	Group Chief Finance Officer	Mr. Oscar Mbeche	Mr. Oscar Mbeche
4	Chief Finance Officer	Mr. Isiaka Bello	NA
5	Company Secretary/Legal Adviser	Mrs. Temitope Hassan	Mrs. Temitope Hassan
6	General Manager, Refinery	Mr. Christopher Okoh	Engr. Thiru Rajasekar
7	Chief Internal Auditor	Mr. Babafemi Gbadewole	Mr. Babafemi Gbadewole
8	General Manager, Sales & Marketing	Mr. Saddiq Bello	Mr. Saddiq Bello
9	General Manager, Human Resources and Admin.	Mr. Hassan Salisu	Mr. Hassan Salisu
10	Head, Risk Management	Mr. Ayokunle Ushie	Mr. Ayokunle Ushie
11	Head, Supply Chain	Mr. Ganiyu Bakare	Mr. Adesola Ogunaike
12	Chief Executive, Numan	Mr. Chinnaya Sylvain	Mr. Chinnaya Sylvain
13	GGM, Operational Services- Numan	Mr. Bello Dan-Musa Abdullahi	NA
14	Head, DSR Logistics and Transport	Mr. Olusegun Idowu	Mr. Salisu Isah (Acting)
15	Head, HSSE	Mr. Itoro Unaam	Mr. Itoro Unaam
16	Head, Internal Control	Mr. Godfrey Ojo	Mr. Godfrey Ojo
17	Head, Corporate Affairs	Ms. Ngozi Ngene	Ms. Ngozi Ngene

35 Related parties (Cont'd)

35.6 Compensation to key management personnel

	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Short-term employee benefits	1,882,261	746,619	1,882,261	746,619
	1,882,261	**746,619**	**1,882,261**	**746,619**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2023 N'000	GROUP 31/12/2022 N'000	COMPANY 31/12/2023 N'000	COMPANY 31/12/2022 N'000
Basic	3,569,217	3,258,058	3,569,217	3,258,058
Medical claims	184,057	197,328	184,057	197,328
Leave allowance	287,765	259,795	287,765	259,795
Short term benefits	1,558,170	1,523,550	1,558,170	1,523,550
Other short term costs	1,428,973	1,131,068	1,428,973	1,131,068
Pension	312,622	287,014	312,622	287,014
	7,341,254	**6,656,813**	**7,341,254**	**6,656,813**

Indirect employee costs	31/12/2023 N'000	31/12/2022 N'000	31/12/2023 N'000	31/12/2022 N'000
Basic	1,282,399	1,108,588	1,282,399	1,108,588
Medical claims and allowance	57,236	47,785	57,236	47,785
NSITF and ITF levies	185,113	90,026	185,113	90,026
Short term benefits	2,415,016	2,085,990	2,415,016	2,085,990
Other short term costs	1,176,923	586,260	1,176,923	586,260
Pension	191,595	162,205	191,595	162,205
	5,308,282	**4,080,854**	**5,308,282**	**4,080,854**

Total employee costs				
Direct employee cost	7,341,254	6,656,813	7,341,254	6,656,813
Indirect employee cost	5,308,282	4,080,854	5,308,282	4,080,854
	12,649,536	**10,737,667**	**12,649,536**	**10,737,667**

Average number of persons employed during the year was:

	31/12/2023 Number	31/12/2022 Number	31/12/2023 Number	31/12/2022 Number
Management	159	149	148	133
Senior Staff	588	608	574	595
Junior Staff	2,209	2309	2,176	2275
	2,956	**3,066**	**2,898**	**3,003**

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

	GROUP 2023 Number	GROUP 2022 Number	COMPANY 2023 Number	COMPANY 2022 Number
N200,000 - N600,000	-	538	-	538
N600,001 - N700,000	-	84	-	84
N700,001 - N800,000	-	20	-	20
N800,001 - N900,000	366	67	366	58
N900,001 - N1,000,000	131	43	131	22
N1,000,001 - N2,000,000	869	1106	836	1095
N2,000,001 - N3,000,000	398	500	388	498
N3,000,001 - N4,000,000	361	229	358	225
N4,000,001 - N5,000,000	191	146	187	145
N5,000,001 - N6,000,000	130	62	130	60
N6,000,001 - N7,000,000	118	46	117	46
N7,000,001 - N8,000,000	75	47	75	46
N8,000,001 - N9,000,000	64	34	64	34
N9,000,001 - N10,000,000	48	44	48	44
N10,000,001 and above	205	100	198	88
	2,956	**3,066**	**2,898**	**3,003**

37 Directors' emoluments	**31/12/2023 N'000**	**31/12/2022 N'000**	**31/12/2023 N'000**	**31/12/2022 N'000**
Fees	16,000	16,000	16,000	16,000
Salaries	165,996	165,996	165,996	165,996
Others	579,386	470,172	579,386	470,172
	761,382	**652,168**	**761,382**	**652,168**
Emoluments of the highest paid Director	165,996	165,996	165,996	165,996

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

N'000	**31/12/2022 Number**	**31/12/2021 Number**	**31/12/2022 Number**	**31/12/2021 Number**
0 - 19,000	9	7	9	7
32,000 and above	1	1	1	1
	10	**8**	**10**	**8**

38 Events after the reporting period

The company has established a N150 billion Commercial Paper Programme with the first tranche of N50 billion issued in February 2024 to support its working capital operation.

There were no other events after the reporting period that could have had material effect on the financial statements of the Company as at 31 December 2023 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2023, there were no capital commitments in respect of the Lagos factory expansion (2022: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2023 (2022: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2023 (Q4)
Share Price at end of reporting period:	N57.00 (2022:N16.05)

Shareholding structure/Free Float Status

Description	31 December 2023		31 December 2022	
	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)	**191,590,135,878**		**53,947,748,787**	

Declaration:

(A) Dangote Sugar Refinery PLC with a free float percentage of 27.67% and free float value of N191,590,135,878.00 as at 31 December 2023, 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 percentage of 27.67% and free float value of N53,947,748,786.70 as at 31 December 2022, 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.

Other National Disclosures

Statement of value added

		2023 N'000	2023 %	2022 N'000	2022 %
GROUP					
Value Added					
Revenue	5	441,452,953		403,245,988	
Bought - in materials and services		(347,082,762)		(301,801,988)	
Fair Value adjustment	17	9,495,990		3,315,333	
Other income	9,11	11,792,896		7,814,957	
		115,659,078	**100**	**112,574,290**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits	36	12,649,536		10,737,667	
		12,649,536	**11**	**10,737,667**	**10**
To Pay Providers of Capital					
Finance costs	10	201,663,325		9,802,295	
		201,663,325	**174**	**9,802,295**	**9**
To Pay Government					
Income tax	12	11,221,570		24,754,576	
		11,221,570	**10**	**24,754,576**	**22**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments	16	10,268,323		9,731,507	
Deferred tax	12.1	(46,383,368)		2,806,110	
		(36,115,045)	**(31)**	**12,537,617**	**11**
Value retained					
Retained (loss)/profit	26	(73,742,700)		54,738,178	
Non-controlling interest	27	(17,608)		3,957	
		(73,760,308)	**(64)**	**54,742,135**	**49**
Total Value Distributed		**115,659,078**	**100**	**112,574,290**	**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

		2023 N'000	2023 %	2022 N'000	2022 %
COMPANY					
Value Added					
Revenue	5	441,452,953		403,245,988	
Bought - in materials and services		(347,035,870)		(301,766,766)	
Fair Value adjustment	17	9,495,990		3,315,333	
Other income	9,11	11,792,779		6,912,751	
		115,705,852	**100**	**111,707,307**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits	36	12,649,536		10,737,667	
		12,649,536	**11**	**10,737,667**	**10**
To Pay Providers of Capital					
Finance costs	10	200,972,519		10,248,536	
		200,972,519	**174**	**10,248,536**	**9**
To Pay Government					
Income tax	12	11,221,570		24,754,576	
		11,221,570	**10**	**24,754,576**	**22**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments	16	9,245,056		8,814,027	
Deferred tax	12	(46,383,368)		2,806,110	
		(37,138,312)	**(32)**	**11,620,137**	**10**
Value retained					
Retained (Loss)/ profit	26	(71,999,460)		54,346,391	
Non-controlling interest	27	-		-	
		(71,999,460)	**(62)**	**54,346,391**	**49**
Total Value Distributed		**115,705,852**	**100**	**111,707,307**	**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 31/12/2023 N'000	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/12/2019 N'000
Group as at December 31, 2023					
Assets					
Non-current assets	200,228,107	157,761,632	144,678,056	101,733,526	93,437,879
Current assets	399,693,177	333,804,092	213,959,067	175,430,221	99,399,395
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**600,789,926**	**492,434,366**	**359,505,765**	**278,032,389**	**193,705,916**
Liabilities					
Non-current liabilities	330,057	13,769,637	12,331,269	11,271,389	8,029,989
Current liabilities	521,214,082	307,438,317	218,543,345	142,049,293	77,539,463
Total liabilities	**521,544,139**	**321,207,954**	**230,874,614**	**153,320,682**	**85,569,452**
Equity					
Share capital and premium	12,393,963	12,393,963	12,393,963	12,393,963	12,320,524
Retained earning	66,882,222	158,845,239	116,253,935	112,328,413	96,258,578
Non-controlling interest	(30,398)	(12,790)	(16,747)	(10,669)	(442,638)
Total equity	**79,245,787**	**171,226,412**	**128,631,151**	**124,711,707**	**108,136,464**
Total equity and liabilities	**600,789,926**	**492,434,366**	**359,505,765**	**278,032,389**	**193,705,916**
Profit and loss account					
Revenue	441,452,953	403,245,988	276,054,781	214,297,747	161,085,778
(Loss)/Profit before taxation	**(108,922,106)**	**82,302,820**	34,021,212	**45,622,319**	**29,820,430**
(Loss)/Profit for the year	**(73,760,308)**	**54,742,135**	22,052,291	**29,775,243**	**22,361,276**
Per share data (Naira)					
(Loss)/Earnings per share (Basic and diluted	(6.07)	4.51	1.82	2.45	1.87
Net assets per share	6.52	14.10	10.59	10.27	9.01

(Loss)/Earnings per share are based on profit or loss 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 31/12/2023 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/12/2019 N'000
Company as at December 31, 2023					
Assets					
Non-current assets	201,655,443	158,018,083	141,210,336	118,569,794	36,317,858
Current assets	398,516,439	332,083,111	207,303,891	139,842,108	160,942,622
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**601,040,524**	**490,969,836**	**349,382,869**	**259,280,544**	**198,129,122**
Liabilities					
Non-current liabilities	330,057	13,769,637	12,331,269	11,225,370	6,693,930
Current liabilities	518,900,558	305,170,513	207,221,431	122,752,272	73,352,250
Total liabilities	**519,230,615**	**318,940,150**	**219,552,700**	**133,977,642**	**80,046,180**
Equity					
Share capital and premium	12,393,963	12,393,963	12,393,963	12,393,963	12,320,524
Retained earning	69,415,946	159,635,723	117,436,206	112,908,939	105,762,418
Total equity	**81,809,909**	**172,029,686**	**129,830,169**	**125,302,902**	**118,082,942**
Total equity and liabilities	**601,040,524**	**490,969,836**	**349,382,869**	**259,280,544**	**198,129,122**
Profit and loss account					
Revenue	441,452,953	403,245,988	276,054,781	206,360,656	158,104,577
(Loss)/Profit before taxation	**(107,161,258)**	**81,907,076**	**34,629,037**	**46,938,948**	**34,829,241**
(Loss)/Profit for the year	**(71,999,460)**	**54,346,391**	**22,660,116**	**31,370,659**	**24,102,816**
Per share data (Naira)					
(Loss)/Earnings per share (Basic and diluted)	(5.93)	4.47	1.87	2.58	2.01
Net assets per share	6.74	14.16	10.69	10.32	9.84

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