



**FLOUR MILLS OF NIGERIA PLC**

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS**

**30TH SEPTEMBER, 2018**

**FLOUR MILLS OF NIGERIA PLC**

**UNAUDITED FINANCIAL RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**

The Directors of Flour Mills of Nigeria Plc (FMN) are pleased to announce the unaudited financial results of the Group and the Company for the six months ended 30th September 2018 as follows:

	<b>Group</b>		<b>Company</b>	
	<b>Six months ended</b>	<b>Six months ended</b>	<b>Six months ended</b>	<b>Six months ended</b>
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	269,737,155	298,443,047	202,924,915	216,773,169
Cost of sales	(237,617,545)	(262,929,901)	(178,179,372)	(189,738,272)
Gross profits	32,119,610	35,513,146	24,745,543	27,034,897
Selling and distribution expenses	(4,125,473)	(2,766,250)	(3,344,291)	(2,404,776)
Administrative expenses	(9,851,516)	(8,351,889)	(7,553,122)	(5,867,299)
Net operating gains /(losses)	1,100,002	5,076,326	(33,395)	(1,425,020)
<b>Operating profit</b>	<b>19,242,623</b>	<b>29,471,333</b>	<b>13,814,735</b>	<b>17,337,802</b>
Investment income	288,882	273,287	3,544,049	6,282,062
Finance costs	(11,229,385)	(16,267,160)	(8,495,274)	(11,554,952)
<b>Profit before tax</b>	<b>8,302,120</b>	<b>13,477,460</b>	<b>8,863,510</b>	<b>12,064,912</b>
Tax expense	(3,232,679)	(4,121,723)	(2,913,592)	(3,390,005)
Profit for the period	5,069,441	9,355,738	5,949,918	8,674,908
Gain / (loss) on 'available for sale' investment	(19,720)	22,100	(19,720)	22,100
<b>Total comprehensive income</b>	<b>5,049,721</b>	<b>9,377,838</b>	<b>5,930,198</b>	<b>8,697,008</b>
Profit attributable to:				
Owners of the Company	5,128,330	8,309,664	5,949,918	8,674,908
Non-controlling interests	(58,889)	1,046,073	-	-
	<b>5,069,441</b>	<b>9,355,737</b>	<b>5,949,918</b>	<b>8,674,908</b>
Total comprehensive income attributable to:				
Owners of the Company	5,108,610	8,331,765	5,930,198	8,697,008
Non-controlling interests	(58,889)	1,046,073	-	-
	<b>5,049,721</b>	<b>9,377,838</b>	<b>5,930,198</b>	<b>8,697,008</b>
Earnings per share - Basic (kobo)	125	317	145	331
Earnings per share - Diluted (kobo)	125	317	145	331

**Explanatory Notes:**

Our business succeeded in posting strong performance in spite of the current business challenges especially due to the persistent Apapa gridlock. Management is optimistic that with continued effort to increase sales and marketing activities geared at boosting our top line we should be able to sustain the good performance for the remaining period.

**BY ORDER OF THE BOARD**

**Joseph Odion A. Umolu**  
**Company Secretary / Director, Legal Services**  
 FRC/2013/NBA/0000003687  
 26th October, 2018

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**FLOUR MILLS OF NIGERIA PLC**


**CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

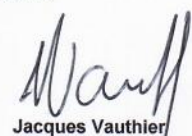
	Note	Group			Company		
		3 months ended 30/09/2018 N'000	6 months ended 30/09/2018 N'000	3 months ended 30/09/2017 N'000	6 months ended 30/09/2017 N'000	3 months ended 30/09/2017 N'000	6 months ended 30/09/2017 N'000
Revenue	5	136,708,238	269,737,155	149,467,831	298,443,047	104,436,285	216,773,169
Cost of sales	6	(121,849,537)	(237,617,545)	(131,193,825)	(262,929,901)	(93,630,042)	(189,738,272)
<b>Gross profit</b>		<b>14,858,701</b>	<b>32,119,610</b>	<b>18,274,006</b>	<b>35,513,146</b>	<b>10,806,243</b>	<b>27,034,897</b>
Selling and distribution expenses	7	(2,104,859)	(4,125,473)	(1,510,901)	(2,766,250)	(1,666,402)	(2,404,776)
Administrative expenses	8	(5,164,753)	(9,851,516)	(4,298,323)	(8,351,889)	(4,017,766)	(5,867,299)
Net operating gains and losses	9	446,360	1,100,002	1,922,867	5,076,326	53,777	(1,425,020)
<b>Operating profit</b>		<b>8,035,449</b>	<b>19,242,623</b>	<b>14,387,649</b>	<b>29,471,333</b>	<b>5,175,852</b>	<b>17,337,802</b>
Investment income		80,221	288,882	234,969	273,287	1,548,447	6,282,062
Finance costs		(5,026,934)	(11,229,385)	(7,339,524)	(16,267,160)	(3,718,961)	(11,554,952)
<b>Profit before tax</b>		<b>3,088,736</b>	<b>8,302,120</b>	<b>7,283,094</b>	<b>13,477,460</b>	<b>3,005,338</b>	<b>12,064,912</b>
Income tax expense	10	(1,668,664)	(3,232,679)	(2,459,196)	(4,121,723)	(1,151,908)	(3,390,005)
<b>Profit for the period</b>		<b>1,420,072</b>	<b>5,069,441</b>	<b>4,823,898</b>	<b>9,355,737</b>	<b>1,853,430</b>	<b>8,674,907</b>
Gain / (Loss) on available for sale investment		(4,420)	(19,720)	(2,380)	22,100	(4,420)	22,100
<b>Total comprehensive income</b>		<b>1,415,652</b>	<b>5,049,721</b>	<b>4,821,518</b>	<b>9,377,837</b>	<b>1,849,010</b>	<b>8,697,007</b>
Profit attributable to:							
Owners of the Company		1,454,240	5,128,330	4,268,049	8,309,664	1,853,430	8,674,907
Non-controlling interests		(34,168)	(58,889)	555,849	1,046,073	-	-
		<b>1,420,072</b>	<b>5,069,441</b>	<b>4,823,898</b>	<b>9,355,737</b>	<b>1,853,430</b>	<b>8,674,907</b>
Total comprehensive income attributable to:							
Owners of the Company		1,449,820	5,108,610	4,265,669	8,331,764	1,849,010	8,697,007
Non-controlling interests		(34,168)	(58,889)	555,849	1,046,073	-	-
		<b>1,415,652</b>	<b>5,049,721</b>	<b>4,821,518</b>	<b>9,377,837</b>	<b>1,849,010</b>	<b>8,697,007</b>
Earnings per share - Basic (kobo)	11	35	125	163	317	45	331
Earnings per share - Diluted (kobo)	11	35	125	163	317	45	331

CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER, 2018

		Group		Company	
	Note	30/09/2018 N'000	31/03/2018 N'000	30/09/2018 N'000	31/03/2018 N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	217,332,974	217,901,400	84,513,069	83,837,249
Biological assets	14	37,713	37,710	-	-
Intangible assets	15	997,515	1,095,317	949,993	1,088,440
Investment properties	16	1,789,767	1,841,977	59,926	60,954
Goodwill	12	4,148,022	4,148,022	1,876,816	1,876,816
Investment in subsidiaries	17	-	-	35,280,134	35,280,134
Available for sale investments	18	43,180	62,900	43,180	62,900
Deferred tax assets		7,071,666	6,459,761	-	-
Long term loans receivable	19	943,825	944,472	37,132,239	44,441,768
Prepayments	22	1,536,052	1,610,730	1,533,722	1,575,533
<b>Total non-current assets</b>		<b>233,900,714</b>	<b>234,102,289</b>	<b>161,389,079</b>	<b>168,223,794</b>
<b>Current assets</b>					
Inventories	20	105,914,566	111,373,409	73,743,477	71,755,238
Biological assets	14	849,485	179,653	-	-
Trade and other receivables	21	22,311,997	19,083,085	68,143,622	49,546,925
Prepayment & deposit for import	22	19,023,794	21,364,109	12,544,493	16,778,199
Cash and cash equivalents	23	26,713,418	22,245,372	20,208,748	16,300,426
<b>Total current assets</b>		<b>174,813,260</b>	<b>174,245,628</b>	<b>174,640,340</b>	<b>154,380,788</b>
<b>Total assets</b>		<b>408,713,974</b>	<b>408,347,917</b>	<b>336,029,419</b>	<b>322,604,582</b>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Share capital		2,050,197	2,050,197	2,050,197	2,050,197
Share premium		75,377,444	75,377,444	75,377,444	75,377,444
Fair value reserves		(92,276)	(72,556)	(92,276)	(72,556)
Retained earnings		68,931,669	67,903,735	75,940,733	74,091,211
Equity attributable to owners of the Company		146,267,034	145,258,820	153,276,098	151,446,296
Non-controlling interest		5,298,999	5,357,888	-	-
<b>Total Equity</b>		<b>151,566,033</b>	<b>150,616,708</b>	<b>153,276,098</b>	<b>151,446,296</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	25	45,263,815	29,376,221	15,951,089	14,984,392
Retirement benefit obligation		5,394,287	5,193,788	4,552,129	4,293,331
Long service award		2,073,607	1,948,287	1,830,875	1,720,629
Deferred taxation		14,679,049	12,307,605	12,154,373	9,805,335
Deferred income		9,254,243	9,117,232	255,261	280,073
<b>Total non-current liabilities</b>		<b>76,665,001</b>	<b>57,943,133</b>	<b>34,743,727</b>	<b>31,083,760</b>
<b>Current liabilities</b>					
Bank Overdraft	23	1,351,482	19,934,045	609,567	16,466,200
Trade and other payables	24	68,473,991	56,993,533	55,071,323	40,126,542
Borrowings	25	95,174,851	103,922,863	82,442,114	71,382,864
Current tax payable		1,214,906	3,151,317	514,085	1,097,052
Deferred income		2,041,031	2,578,896	109,459	147,084
Dividend payable		2,165,792	2,005,814	2,141,730	1,981,752
Customer deposits		10,060,887	11,201,608	7,121,316	8,873,032
<b>Total current liabilities</b>		<b>180,482,940</b>	<b>199,788,076</b>	<b>148,009,594</b>	<b>140,074,526</b>
<b>Total liabilities</b>		<b>257,147,941</b>	<b>257,731,209</b>	<b>182,753,321</b>	<b>171,158,286</b>
<b>Total equity and liabilities</b>		<b>408,713,974</b>	<b>408,347,917</b>	<b>336,029,419</b>	<b>322,604,582</b>

The financial statements were approved by the board of directors and authorised for issue on 26th October, 2018. They were signed on its behalf by:

  
Paul Mijonmide Gbededo  
Group Managing Director  
FRC/2013/IODN/00000003828

  
Jacques Vauthier  
Chief Finance Officer  
FRC/2017/MULTI/00000015973



FLOUR MILLS OF NIGERIA PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

Group

	Share Capital	Share premium	Fair value reserve	Retained Earnings	Equity attributable to owner of the company	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 April 2017</b>	1,312,126	36,812,540	(111,316)	60,450,685	98,464,035	4,080,309	102,544,344
Profit for the period				8,309,664	8,309,664	1,046,073	9,355,737
Other comprehensive income			22,100		22,100		22,100
Acquisition of NCI without a change in control					-	(1,464,469)	(1,464,469)
Dividends declared				(2,624,253)	(2,624,253)		(2,624,253)
<b>Balance at 30 September 2017</b>	1,312,126	36,812,540	(89,216)	66,136,096	104,171,546	3,661,913	107,833,459

Group

	Share Capital	Share premium	Fair value reserve	Retained Earnings	Equity attributable to owner of the company	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 April 2018</b>	2,050,197	75,377,444	(72,556)	67,903,735	145,258,820	5,357,888	150,616,708
Profit for the period				5,128,330	5,128,330	(58,889)	5,069,441
Other comprehensive income			(19,720)		(19,720)		(19,720)
Dividend declared				(4,100,396)	(4,100,396)		(4,100,396)
<b>Balance at 30 September 2018</b>	2,050,197	75,377,444	(92,276)	68,931,669	146,267,034	5,298,999	151,566,033

Company

	Share Capital	Share premium	Fair value reserve	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 April 2017</b>	1,312,126	36,812,540	(111,316)	70,102,349	108,115,699
Profit for the period				8,674,907	8,674,907
Other comprehensive income				22,100	22,100
Dividend declared				(2,624,253)	(2,624,253)
<b>Balance at 30 September 2017</b>	1,312,126	36,812,540	(89,216)	76,153,003	114,188,453

Company

	Share Capital	Share premium	Fair value reserve	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 April 2018</b>	2,050,197	75,377,444	(72,556)	74,091,211	151,446,296
Profit for the period				5,949,918	5,949,918
Other comprehensive income			(19,720)		(19,720)
Dividend declared				(4,100,396)	(4,100,396)
<b>Balance at 30 September 2018</b>	2,050,197	75,377,444	(92,276)	75,940,733	153,276,098

FLOUR MILLS OF NIGERIA PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Group		Company	
	30/09/2018 N'000	30/09/2017 N'000	30/09/2018 N'000	30/09/2017 N'000
<b>Cash flows from operating activities</b>				
Profit before tax	8,302,120	13,477,460	8,863,510	12,064,912
Depreciation and amortization	9,458,030	8,103,555	4,667,605	4,212,031
Finance costs	11,229,385	16,267,160	8,495,274	11,554,952
Interest income	(288,882)	(273,287)	(3,544,049)	(6,282,062)
Loss/(profit) on disposal of fixed assets	57,906	(80,163)	(681)	(81,590)
<b>Profit before changes in working capital</b>	<b>28,758,559</b>	<b>37,494,725</b>	<b>18,481,659</b>	<b>21,468,243</b>
<b>Changes in Working Capital</b>				
(Increase)/ Decrease in Inventory	5,458,843	27,134,038	(1,988,239)	16,722,973
(Increase)/ Decrease in trade and other receivables	(3,228,912)	805,367	(18,596,697)	11,547,338
(Increase)/ Decrease in Biological assets	(669,835)	(437,837)	-	-
(Increase)/ Decrease in Prepayments and deposit for imports	2,414,993	36,865,409	4,275,517	28,195,596
Increase/ (Decrease) in Deferred tax assets	(611,905)	7,474	-	-
Increase/ (Decrease) in Derivative assets	-	755,516	-	387,814
Increase/ (Decrease) in Trade and other payable	11,480,458	(24,961,672)	14,944,781	2,658,096
Increase/ (Decrease) in Dividend payable	159,978	1,491,729	159,978	1,491,729
Increase/ (Decrease) in Retirement benefit obligations	200,499	76,119	258,798	47,282
Increase/ (Decrease) in Long service award	125,320	130,673	110,246	107,700
Increase/ (Decrease) in Customers' deposit	(1,140,721)	(4,136,010)	(1,751,716)	(4,764,971)
Increase/ (Decrease) in Tax Payable	(1,936,411)	1,589,577	(582,967)	2,782,836
Increase/ (Decrease) in Deferred taxation	2,371,444	(6,007)	2,349,038	-
Increase/ (Decrease) in Derivative Liabilities	-	(2,097,081)	-	(1,587,195)
Increase/ (Decrease) in Deferred revenue	(400,854)	(1,021,358)	(62,437)	(42,104)
<b>Net changes in working capital</b>	<b>14,222,897</b>	<b>36,195,937</b>	<b>(883,698)</b>	<b>57,547,094</b>
<b>Cash Flow from operating activities</b>	<b>42,981,456</b>	<b>73,690,662</b>	<b>17,597,961</b>	<b>79,015,337</b>
Tax paid	(3,232,679)	(4,121,723)	(2,913,592)	(3,390,005)
<b>Net Cash Flow from operating activities</b>	<b>39,748,777</b>	<b>69,568,939</b>	<b>14,684,369</b>	<b>75,625,332</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(8,947,510)	(6,875,952)	(5,342,744)	(1,104,725)
Acquisition of intangible assets	97,802	31,352	138,447	26,276
Acquisition of investment property	52,210	51,965	1,028	783
Additions to investments in subsidiary	-	-	-	(1,683,000)
Long term loans receivable	647	13,444	7,309,529	(39,146,513)
Finance income	288,882	273,287	3,544,049	6,282,062
<b>Net Cash flow from investing activities</b>	<b>(8,507,969)</b>	<b>(6,505,904)</b>	<b>5,650,309</b>	<b>(35,625,117)</b>
<b>Financing activities</b>				
Consideration paid for acquisition of NCI	-	(1,464,469)	-	-
Term loans	7,139,582	(45,341,930)	12,025,947	(31,484,553)
Finance costs paid	(11,229,385)	(16,267,160)	(8,495,274)	(11,554,952)
Dividend paid	(4,100,396)	(2,624,253)	(4,100,396)	(2,624,253)
<b>Cash flow from Financing activities</b>	<b>(8,190,199)</b>	<b>(65,697,812)</b>	<b>(569,723)</b>	<b>(45,663,758)</b>
<b>Net Cash Flow</b>	<b>23,050,609</b>	<b>(2,634,777)</b>	<b>19,764,955</b>	<b>(5,663,543)</b>
<b>Cash and cash equivalents at beginning of Period/year</b>	<b>2,311,327</b>	<b>(4,005,309)</b>	<b>(165,774)</b>	<b>(5,519,945)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>25,361,936</b>	<b>(6,640,086)</b>	<b>19,599,181</b>	<b>(11,183,488)</b>
<b>Closing</b>				
Bank deposits balances and cash	26,713,418	34,337,066	20,208,748	23,550,373
Bank overdrafts	(1,351,482)	(40,977,152)	(609,567)	(34,733,861)
	<b>25,361,936</b>	<b>(6,640,086)</b>	<b>19,599,181</b>	<b>(11,183,488)</b>
<b>Opening</b>				
Bank deposits balances and cash	22,245,372	45,018,503	16,300,426	28,829,491
Bank overdrafts	(19,934,045)	(49,023,812)	(16,466,200)	(34,349,436)
	<b>2,311,327</b>	<b>(4,005,309)</b>	<b>(165,774)</b>	<b>(5,519,945)</b>



## **FLOUR MILLS OF NIGERIA PLC**

### **NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

#### **1 Description of business**

Flour Mills of Nigeria Plc was incorporated as a private limited Company on 29th September 1960 and was converted to a public liability Company in November 1978.

The Group's business is primarily divided into 4 business value chains which are;

##### **Food value chain**

Food business value chain involves flour milling, production of pasta and noodles.

##### **Sugar value chain**

Sugar business value chain involves cultivating, processing, refining and selling of sugar.

##### **Agro-Allied value chain**

Agro-Allied business value chain involves livestock husbandry, production of livestock feeds, sale of fertilizer, edible oil, farming and other agro-allied activities.

##### **Support services**

Support business value chain involves the manufacturing and sales of laminated woven polypropylene sacks and flexible packaging materials, operation of terminals A and B at Apapa Port, customs clearing, forwarding agents, shipping agents and logistics, haulage and real estate.

#### **2 Reporting entity**

The condensed consolidated and separate interim financial report of the Company as at and for the Six months ended 30th September 2018 comprises the Company alone (referred to as the 'Company') and the Company and its subsidiaries (together referred to as the 'Group').

#### **3 Basis of preparation**

##### **(a) Statement of compliance**

This condensed consolidated and separate interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 31 March 2017.

This condensed consolidated and separate interim financial report does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standard.

##### **(b) Judgements and estimates**

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated and separate interim financial report, significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2018.

#### **4 Significant accounting policies**

The accounting policies applied by the Group in this condensed consolidated and separate interim financial report are the same as those applied by the Group in its consolidated statements as at and for the year ended 31 March 2018.



NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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5 Operating segments

Information about reportable segments

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Group

	Segment revenue		Profit before tax	
	Six months ended		Six months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	N'000	N'000	N'000	N'000
Food	173,503,328	186,758,434	8,776,724	10,125,355
Agro Allied	47,017,172	54,722,555	(2,884,844)	(2,541,774)
Sugar Value chain	39,041,295	46,450,246	2,382,060	3,168,831
Support services	10,175,360	10,511,812	28,180	2,725,048
<b>Total</b>	<b>269,737,155</b>	<b>298,443,047</b>	<b>8,302,120</b>	<b>13,477,460</b>

Company

	Segment revenue		Profit before tax	
	Six months ended		Six months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	N'000	N'000	N'000	N'000
Food	177,126,760	192,707,919	7,019,576	7,964,692
Agro Allied	14,210,593	12,059,532	1,526,091	1,622,272
Support services	11,587,562	12,005,718	317,843	2,477,948
<b>Total</b>	<b>202,924,915</b>	<b>216,773,169</b>	<b>8,863,510</b>	<b>12,064,912</b>

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of share of profits of associates, IFRS adjustment and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

6 Cost of sales

	Group		Company	
	Six months ended		Six months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	N'000	N'000	N'000	N'000
Material costs	206,914,184	235,428,910	160,129,913	173,815,948
Direct staff costs	7,476,590	6,503,897	5,214,611	4,531,273
Depreciation	8,691,307	7,424,616	4,048,858	3,644,370
Power cost	7,659,236	7,089,463	4,850,146	4,441,496
Rent and rates	327,127	1,170,712	751,960	762,764
Repairs and maintenance	4,045,998	3,183,877	2,426,739	1,930,772
Other expenses	2,315,622	1,997,380	676,013	539,629
Insurance	187,481	131,046	81,132	72,020
	<b>237,617,545</b>	<b>262,929,901</b>	<b>178,179,372</b>	<b>189,738,272</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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**7 Selling and distribution**

	<b>Group</b>		<b>Company</b>	
	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Salaries and related staff costs	1,034,737	890,434	898,149	800,432
Selling expenses	2,000,356	1,736,461	1,370,003	1,476,557
Advertisement	1,090,380	139,355	1,076,139	127,787
	<u>4,125,473</u>	<u>2,766,250</u>	<u>3,344,291</u>	<u>2,404,776</u>

**8 Administrative expense**

	<b>Group</b>		<b>Company</b>	
	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Audit fee	216,611	162,678	117,198	82,433
Bad debts	-	265	-	-
Bank Charges	513,933	732,860	357,216	568,555
Computer related expenses	414,953	419,217	323,994	312,645
Depreciation and amortization	766,723	678,939	618,747	567,661
Insurance	119,795	119,906	58,740	48,792
Legal and professional fees	416,116	409,289	291,516	267,879
Local and overseas travel	342,000	304,175	234,447	173,247
Medical, canteen and welfare expenses	490,755	408,047	419,499	371,647
Motor vehicle expenses	73,122	125,587	52,716	110,582
General administrative expenses	1,871,783	1,404,049	1,628,717	819,724
Penalties, fines and non recoverable taxes	170,115	-	150,281	-
Power costs	307,502	302,664	200,621	98,568
Postage, telephone and cables	92,846	-	80,531	-
Printing and stationery	43,646	64,598	29,213	30,715
Rent and rates	101,521	64,574	143,417	121,608
Repairs and maintenance	497,633	315,448	210,541	151,383
Salaries, wages and other staff costs	2,700,374	2,347,298	1,980,547	1,662,406
Security services	79,508	-	37,041	-
Subscriptions and donations	632,580	492,295	618,140	479,454
	<u>9,851,516</u>	<u>8,351,889</u>	<u>7,553,122</u>	<u>5,867,299</u>

**9 Net operating gains and (losses)**

	<b>Group</b>		<b>Company</b>	
	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Fee earned	374,250	-	45,984	-
Rent received	129,716	122,636	108,767	88,833
Insurance claims	22,217	35,425	22,050	18,128
Income on government grant	781,310	412,218	62,437	42,104
Sundry income	165,418	1,524,751	21,003	68,513
Profit/(Loss) on disposal of fixed assets	(57,906)	80,163	681	81,590
Foreign exchange gain/(loss)	(372,531)	2,128,346	(351,845)	(1,765,730)
Bad debts recovered	57,528	41,542	57,528	41,542
Fair value gain on derivative	-	731,245	-	-
	<u>1,100,002</u>	<u>5,076,326</u>	<u>(33,395)</u>	<u>(1,425,020)</u>



NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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10	Tax	Group		Company	
		Six months ended		Six months ended	
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
		N'000	N'000	N'000	N'000
	<b>Corporation tax:</b>				
	Income tax	844,747	3,860,159	382,537	3,176,378
	Tertiary education tax	566,565	286,882	209,688	241,298
		1,411,312	4,147,041	592,225	3,417,676
	<b>Deferred tax</b>	1,821,367	(25,317)	2,321,367	(27,671)
		<b>3,232,679</b>	<b>4,121,723</b>	<b>2,913,592</b>	<b>3,390,005</b>

The charge for taxation in these interim financial statements is based on the provisions of Companies Income Tax Act, CAP C21, LFN as amended to date

Interim period income tax is accrued based on the following estimated average annual effective income tax rate:

	Group		Company	
	Six months ended		Six months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
<b>Effective rate</b>	<b>39%</b>	<b>31%</b>	<b>33%</b>	<b>28%</b>

11	Earnings Per share	Group		Company	
		Six months ended		Six months ended	
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
	<b>Profit for the period attributable to equity holders</b>	<b>5,128,330</b>	<b>8,309,664</b>	<b>5,949,918</b>	<b>8,674,907</b>
	Number of ordinary shares in issue	4,100,394	2,624,253	4,100,394	2,624,253
	Basic earning per share(kobo)	125	317	145	331

12	Goodwill	Group		Company	
		30/09/2018	31/03/2018	30/09/2018	31/03/2018
		N'000	N'000	N'000	N'000
	Goodwill	4,148,022	4,148,022	1,876,816	1,876,816
		<b>4,148,022</b>	<b>4,148,022</b>	<b>1,876,816</b>	<b>1,876,816</b>

FLOUR MILLS OF NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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Group

13 Property plant and equipment

	Land & Building N '000	Plant and Machinery N '000	Furniture & Equipment N '000	Motor Vehicle N '000	Bearer Plant N '000	Beth Rehabilitation N '000	Capital Work In Progress N '000	Total N '000
<b>Cost</b>								
Opening balance as at 1 April 2018	76,876,409	226,367,909	6,988,831	11,350,365	1,591,945	763,547	11,915,285	335,854,291
Additions	365,452	919,816	245,593	451,015	2,876	7,645	6,722,789	8,715,186
Transfer	(68,177)	358,812	27,874	2,755	151,278	719,450	(1,828,474)	(636,482)
Disposal	-	(82,430)	(11,159)	(322,303)	-	-	-	(415,892)
30th September 2018	77,173,684	227,564,107	7,251,139	11,481,832	1,746,099	1,490,642	16,809,600	343,517,103
<b>Depreciation</b>								
Accumulated depreciation as at 1 April 2018	11,014,320	91,269,262	5,534,083	8,581,884	222,073	229,254	1,102,015	117,952,891
Charge for the period	1,048,051	6,439,734	454,079	543,465	85,567	85,132	-	8,656,028
Transfer	(82,830)	-	-	(166)	-	-	-	(82,996)
Disposal	-	(31,920)	(2,920)	(306,954)	-	-	-	(341,794)
30th September 2018	11,979,541	97,677,076	5,985,242	8,818,229	307,640	314,386	1,102,015	126,184,129
<b>Carrying Amount</b>								
30th September 2018	65,194,143	129,887,031	1,265,897	2,663,603	1,438,459	1,176,256	15,707,585	217,332,974
31st March 2018	65,862,089	135,098,647	1,454,748	2,768,481	1,369,872	534,293	10,813,270	217,901,400



**FLOUR MILLS OF NIGERIA PLC**

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Company	Property plant and equipment						
	Land & building N '000	Plant & Machinery N '000	Furniture & equipment N '000	Motor vehicles N '000	Capital work in progress N '000	Total N '000	
<b>Cost</b>							
Opening balance as at 1 April 2018	31,283,569	110,263,171	4,490,503	8,763,403	6,585,864	161,386,510	
Additions	49,861	262,872	165,647	389,245	4,749,524	5,617,149	
Transfers	-	(399,058)	-	-	-	(399,058)	
Disposals	-	(9,949)	(6,318)	(298,465)	-	(314,732)	
30th September 2018	31,333,430	110,117,036	4,649,832	8,854,183	11,335,388	166,289,869	
<b>Depreciation</b>							
Accumulated depreciation as at 1 April 2018	6,016,061	60,907,242	3,879,357	6,496,601	250,000	77,549,261	
Charge	512,676	3,321,964	261,986	431,506	-	4,528,132	
Disposals	-	(9,835)	(2,920)	(287,838)	-	(300,593)	
30th September 2018	6,528,737	64,219,371	4,138,423	6,640,269	250,000	81,776,800	
<b>Carrying Amount</b>							
30th September 2018	24,804,693	45,897,665	511,409	2,213,914	11,085,388	84,513,069	
31st March 2018	25,267,508	49,355,929	611,146	2,266,802	6,335,864	83,837,249	

**FLOUR MILLS OF NIGERIA PLC**

**NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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**14 Group**

**Biological assets**

	Livestock N'000	Oil palm N'000	Cassava N'000	Sugar cane N'000	Total N'000
Balance at 1 April, 2018	37,711	25,781	42,613	111,258	217,363
Addition	4		605,863	93,178	699,045
Harvested during the year				(70,555)	(70,555)
Fair value gain/ (loss)				41,345	41,345
Balance at September 30, 2018	37,715	25,781	648,476	175,226	887,198

**Analysed into:**

Current assets  
Non-current assets

Sep-18 N'000	Mar-18 N'000
849,485	179,653
37,713	37,710
887,198	217,363



**FLOUR MILLS OF NIGERIA PLC**

**NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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15

**Group**

**Intangible assets**

**Software  
N'000**

**Cost**

Balance at April 1, 2018

1,813,085

Additions

60,034

**Balance at September 30, 2018**

**1,873,119**

**Amortisation**

Balance at April 1, 2018

717,768

Charge for the year

157,836

**Balance at September 30, 2018**

**875,604**

**Carrying amount**

Balance at September 30, 2018

997,515

Balance at April 1, 2018

1,095,317

**Company**

**software  
N'000**

**Cost**

Balance At 1 April 2018

1,655,403

Additions

**Balance at September 30, 2018**

**1,655,403**

**Amortisation**

Balance At 1 April 2018

566,963

Charge for the year

138,447

**Balance at September 30, 2018**

**705,410**

**Carrying Amount**

Balance at September 30, 2018

949,993

Balance At 1 April 2018

1,088,440

**FLOUR MILLS OF NIGERIA PLC**

**NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
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**16 Investment Property**

**Group**

**N'000**

**Cost**

Balance at April 1, 2018

2,189,057

Additions

**Balance at September 30, 2018**

**2,189,057**

**Amortisation**

Balance at April 1, 2018

347,080

Charge for the year

52,210

**Balance at September 30, 2018**

**399,290**

**Carrying mount**

Balance at September 30, 2018

1,789,767

Balance at April 1, 2018

1,841,977

**Company**

**N'000**

**Cost**

At 1 April 2018

87,750

Additions

-

**Balance at September 30, 2018**

**87,750**

**Amortisation**

At 1 April 2018

26,796

Charge for the year

1,028

**Balance at September 30, 2018**

**27,824**

**Carrying Amount**

Balance at September 30, 2018

59,926

At 1 April 2018

60,954



FLOUR MILLS OF NIGERIA PLC

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17 Investments in Subsidiaries

	Group		Company	
	30/09/2018	31/03/2018	30/09/2018	31/03/2018
	N'000	N'000	N'000	N'000
<b>Unquoted</b>				
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Golden Shipping Company Nigeria Limited	-	-	26,000	26,000
Golden Sugar Company Limited	-	-	10,000	10,000
Kaboji Farms Limited	-	-	5,030,000	5,030,000
Premier Feed Mills Company Limited	-	-	12,750	12,750
Nigerian Eagles Flour Mills Limited	-	-	510,000	510,000
Crestview Towers Limited	-	-	10,000	10,000
Olympic Towers Limited	-	-	10,000	10,000
ROM Oil Mills Limited	-	-	23,598,729	23,598,729
Thai Farm International Limited	-	-	2,878,597	2,878,597
Agri Palm Limited	-	-	2,010,000	2,010,000
Agric Estate Limited	-	-	10,000	10,000
Agro Allied Farms Sunti Limited	-	-	1,010,000	1,010,000
Agro Allied Syrups Limited	-	-	2,010,000	2,010,000
Best Chickens Limited	-	-	10,000	10,000
Golden Agri Input Limited	-	-	1,050,000	1,050,000
			<b>38,236,076</b>	<b>38,236,076</b>
<b>Quoted</b>				
Northern Nigeria Flour Mills Plc	-	-	303,441	303,441
			<b>38,539,517</b>	<b>38,539,517</b>
Impairment	-	-	-3,259,383	-3,259,383
<b>Total</b>			<b>35,280,134</b>	<b>35,280,134</b>

18 Available for sale investments

<b>Unquoted</b>				
Maiduguri Flour Mills Limited	5,956	5,956	5,956	5,956
Nextport Tradings Limited	2,000	2,000	2,000	2,000
	<b>7,956</b>	<b>7,956</b>	<b>7,956</b>	<b>7,956</b>
<b>Quoted</b>				
Transnational Corporation Plc	127,500	127,500	127,500	127,500
Fair value gain (loss)	(92,276)	(72,556)	(92,276)	(72,556)
	<b>35,224</b>	<b>54,944</b>	<b>35,224</b>	<b>54,944</b>
	<b>43,180</b>	<b>62,900</b>	<b>43,180</b>	<b>62,900</b>

19 Long-term loans receivable

Thai Farm International	-	-	583,986	372,692
Agri Palm Limited	-	-	853,424	429,480
ROM Oil Mills Limited	-	-	-	1,211,079
Sunti Golden Sugar Estate	-	-	7,997,138	11,140,083
Northern Nigerian Flour Mills Plc	-	-	258,428	1,004,515
Golden Agri Inputs	-	-	470,313	631,254
Premier Feeds Mills Limited	-	-	6,577,448	6,717,572
Golden Sugar Company	-	-	15,842,189	20,571,131
Agri Estate Limited	-	-	229,690	205,888
Best Chickens Limited	-	-	560,303	518,044
Olympic Tower Limited	-	-	3,015,800	2,385,009
Agro Allied Syrup Limited	-	-	446,218	-
Kaboji Farms Limited	-	-	297,303	53,947
Impairment of Long term receivables	-	-	-	-798,926
Port Harcourt Flour Mills Limited	921,096	924,067	-	-
Receivable from ABCML	22,729	20,405	-	-
	<b>943,825</b>	<b>944,472</b>	<b>37,132,239</b>	<b>44,441,768</b>

FLOUR MILLS OF NIGERIA PLC

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	Group		Company	
	30/09/2018 N'000	31/03/2018 N'000	30/09/2018 N'000	31/03/2018 N'000
<b>20 Inventories</b>				
Raw and packaging materials	73,231,346	83,919,590	51,740,964	54,122,828
Work in Progress	2,022,731	1,371,238	1,659,732	1,360,801
Finished goods	14,134,451	10,366,253	8,913,942	6,742,467
Consumables stores and maintenance spares	18,666,020	17,554,024	13,066,169	10,345,958
Write-downs	-2,139,982	-1,837,696	-1,637,330	-816,816
	<u>105,914,566</u>	<u>111,373,409</u>	<u>73,743,477</u>	<u>71,755,238</u>

**21 Trade and other receivables**

**a. Trade receivables**

Trade Debtors	18,122,461	15,424,028	10,100,739	7,563,916
Allowance for doubtful debts	(2,179,783)	(2,215,775)	(1,823,702)	(1,881,029)
	<u>15,942,678</u>	<u>13,208,253</u>	<u>8,277,037</u>	<u>5,682,887</u>

**b. Other receivables**

Staff debtors	641,511	472,597	590,615	381,629
Amount due from related parties	-	-	54,684,169	41,703,869
Sundry debtors	<u>5,727,808</u>	<u>5,402,235</u>	<u>4,591,801</u>	<u>1,778,540</u>
	<u>6,369,319</u>	<u>5,874,832</u>	<u>59,866,585</u>	<u>43,864,038</u>
	<u>22,311,997</u>	<u>19,083,085</u>	<u>68,143,622</u>	<u>49,546,925</u>

**Prepayments**

**Non-current**

Prepaid rent on operating premises	<u>1,536,052</u>	<u>1,610,730</u>	<u>1,533,722</u>	<u>1,575,533</u>
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**Current**

Deposit for imports (Letters of credit)	12,918,325	7,593,817	8,183,171	5,971,131
Deposit for FX relating to forward and futures contracts	343,721	2,019,364	343,721	1,003,014
Advance payment to suppliers	957,440	6,240,212	406,642	5,054,944
Prepaid expenses	<u>4,804,308</u>	<u>5,510,716</u>	<u>3,610,960</u>	<u>4,749,110</u>
	<u>19,023,794</u>	<u>21,364,109</u>	<u>12,544,493</u>	<u>16,778,199</u>

**23 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, net of outstanding bank overdrafts.

	Group		Company	
	30/09/2018 N'000	31/03/2018 N'000	30/09/2018 N'000	31/03/2018 N'000
Cash on hand	529,570	749,483	123,632	714,358
Bank balance	<u>26,183,848</u>	<u>21,495,889</u>	<u>20,085,116</u>	<u>15,586,068</u>
Cash and bank balances	26,713,418	22,245,372	20,208,748	16,300,426
Bank overdrafts	<u>(1,351,482)</u>	<u>(19,934,045)</u>	<u>(609,567)</u>	<u>(16,466,200)</u>
	<u>25,361,936</u>	<u>2,311,327</u>	<u>19,599,181</u>	<u>(165,774)</u>



NOTES TO THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Group		Company	
	30/09/2018	31/03/2018	30/09/2018	31/03/2018
	N'000	N'000	N'000	N'000
<b>24 Trade and other payables</b>				
Trade payables	49,699,621	46,586,370	38,042,868	34,580,478
<b>Other Payables</b>				
Statutory payables	2,668,613	2,815,044	431,719	607,339
Due to related parties	-	-	8,437,343	581,345
Accruals	14,285,499	6,472,117	7,108,701	3,347,778
Sundry creditors	1,820,258	1,120,002	1,050,692	1,009,602
	<u>18,774,370</u>	<u>10,407,163</u>	<u>17,028,455</u>	<u>5,546,064</u>
	<u>68,473,991</u>	<u>56,993,533</u>	<u>55,071,323</u>	<u>40,126,542</u>
<b>25 Borrowings</b>				
<b>Unsecured borrowing at amortised cost</b>				
Bank of Industry (BOI)	29,740,177	29,206,842	2,752,695	3,143,017
CBN Commercial Agriculture Credit Scheme (CACS)	8,382,540	8,518,645	-	-
Real Sector Support Facility (RSSF)	16,493,000	7,795,298	-	-
Other Bank Loans	76,036,566	78,775,786	80,363,310	70,227,530
Intra Group Loan	-	-	15,277,198	12,996,709
Power and Airline Intervention Fund	2,586,383	1,802,513	-	-
	<u>133,238,666</u>	<u>126,099,084</u>	<u>98,393,203</u>	<u>86,367,256</u>
<b>Secured Borrowing at amortised cost</b>				
Term loan	7,200,000	7,200,000	-	-
	<u>140,438,666</u>	<u>133,299,084</u>	<u>98,393,203</u>	<u>86,367,256</u>
<b>Analysed into</b>				
Current	95,174,851	103,922,863	82,442,114	71,382,864
Non-current	45,263,815	29,376,221	15,951,089	14,984,392
	<u>140,438,666</u>	<u>133,299,084</u>	<u>98,393,203</u>	<u>86,367,256</u>