



**Dangote Sugar Refinery Plc**

**Consolidated and Separate Financial Statements**

**for the period ended March 31, 2022**

## **Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### **Index**

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

<b>Contents</b>	<b>Page</b>
General Information	1
Consolidated and separate statements of profit or loss and other comprehensive income	2
Consolidated and separate statements of financial position	3
Consolidated and separate statements of changes in equity	4
Consolidated and separate statements of cash flows	5
Notes to the Financial Statements	6 - 41

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### General Information

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

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

Note(s)	GROUP					COMPANY					
	Qtr1, 2022 N'000	31/3/2022 N'000	Qtr1, 2021 N'000	31/3/2021 N'000	F/Yr, 2021 N'000	Qtr1, 2022 N'000	31/3/2022 N'000	Qtr1, 2021 N'000	31/3/2021 N'000	F/Yr, 2021 N'000	
<b>Continuing operations</b>											
Revenue	5	94,449,058	94,449,058	67,393,632	67,393,632	276,054,781	94,449,058	94,449,058	67,393,632	67,393,632	276,054,780
Cost of sales	6	(74,986,317)	(74,986,317)	(49,349,220)	(49,349,220)	(225,846,208)	(74,986,317)	(74,986,317)	(49,349,220)	(49,349,220)	(225,846,208)
<b>Gross profit</b>		<b>19,462,741</b>	<b>19,462,741</b>	<b>18,044,412</b>	<b>18,044,412</b>	<b>50,208,573</b>	<b>19,462,741</b>	<b>19,462,741</b>	<b>18,044,412</b>	<b>18,044,412</b>	<b>50,208,572</b>
Other income	11	68,574	68,574	99,681	99,681	333,142	68,574	68,574	99,681	99,681	332,142
Selling and distribution expenses	7	(260,811)	(260,811)	(124,105)	(124,105)	(906,496)	(260,811)	(260,811)	(124,105)	(124,105)	(906,496)
Administrative expenses	7	(2,243,193)	(2,243,193)	(2,135,689)	(2,135,689)	(10,630,962)	(2,041,115)	(2,041,115)	(2,000,679)	(2,000,679)	(9,970,730)
Impairment gains/(losses)	23.3	-	-	-	-	15,323	-	-	-	-	15,323
<b>Operating profit</b>	14	<b>17,027,311</b>	<b>17,027,311</b>	<b>15,884,299</b>	<b>15,884,299</b>	<b>39,019,580</b>	<b>17,229,389</b>	<b>17,229,389</b>	<b>16,019,309</b>	<b>16,019,309</b>	<b>39,678,813</b>
Finance income	8	810,497	810,497	126,823	126,823	1,419,193	810,497	810,497	126,823	126,823	1,419,191
Finance cost	10	(3,505,403)	(3,505,403)	(3,412,465)	(3,412,465)	(6,629,734)	(3,479,239)	(3,479,239)	(3,287,482)	(3,287,482)	(6,681,140)
Finance costs - net		<b>(2,694,906)</b>	<b>(2,694,906)</b>	<b>(3,285,642)</b>	<b>(3,285,642)</b>	<b>(5,210,541)</b>	<b>(2,668,742)</b>	<b>(2,668,742)</b>	<b>(3,160,659)</b>	<b>(3,160,659)</b>	<b>(5,261,949)</b>
Change in fair value adjustment	9	(729,474)	(729,474)	(650,102)	(650,102)	212,173	(729,474)	(729,474)	(650,102)	(650,102)	212,173
<b>Profit before tax</b>		<b>13,602,931</b>	<b>13,602,931</b>	<b>11,948,555</b>	<b>11,948,555</b>	<b>34,021,212</b>	<b>13,831,173</b>	<b>13,831,173</b>	<b>12,208,548</b>	<b>12,208,548</b>	<b>34,629,037</b>
Taxation	12.1	(4,733,173)	(4,733,173)	(3,646,960)	(3,646,960)	(11,968,921)	(4,733,173)	(4,733,173)	(3,646,960)	(3,646,960)	(11,968,921)
<b>Profit for the year</b>		<b>8,869,758</b>	<b>8,869,758</b>	<b>8,301,595</b>	<b>8,301,595</b>	<b>22,052,291</b>	<b>9,098,000</b>	<b>9,098,000</b>	<b>8,561,588</b>	<b>8,561,588</b>	<b>22,660,116</b>
<b>Profit attributable to:</b>											
Owners of the parent		8,872,040	8,872,040	8,304,195	8,304,195	22,058,369	9,098,000	9,098,000	8,561,588	8,561,588	22,660,116
Non-controlling interest		(2,282)	(2,282)	(2,600)	(2,600)	(6,078)	-	-	-	-	-
		<b>8,869,758</b>	<b>8,869,758</b>	<b>8,301,595</b>	<b>8,301,595</b>	<b>22,052,291</b>	<b>9,098,000</b>	<b>9,098,000</b>	<b>8,561,588</b>	<b>8,561,588</b>	<b>22,660,116</b>
<b>Total comprehensive income for the year</b>		<b>8,869,758</b>	<b>8,869,758</b>	<b>8,301,595</b>	<b>8,301,595</b>	<b>22,052,291</b>	<b>9,098,000</b>	<b>9,098,000</b>	<b>8,561,588</b>	<b>8,561,588</b>	<b>22,660,116</b>
<b>Total comprehensive income attributable to:</b>											
Owners of the parent		8,872,040	8,872,040	8,304,195	8,304,195	22,058,369	9,098,000	9,098,000	8,561,588	8,561,588	22,660,116
Non-controlling interest		(2,282)	(2,282)	(2,600)	(2,600)	(6,078)	-	-	-	-	-
		<b>8,869,758</b>	<b>8,869,758</b>	<b>8,301,595</b>	<b>8,301,595</b>	<b>22,052,291</b>	<b>9,098,000</b>	<b>9,098,000</b>	<b>8,561,588</b>	<b>8,561,588</b>	<b>22,660,116</b>
<b>Earnings per share</b>											
<b>Per share information</b>											
Basic earnings per share (Naira)	15	0.73	0.73	0.68	0.68	1.82	0.75	0.75	0.70	0.70	1.87
Diluted earnings per share (Naira)	15	0.73	0.73	0.68	0.68	0.68	0.75	0.75	(0.26)	0.70	1.87

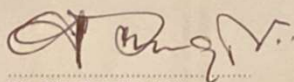
**Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

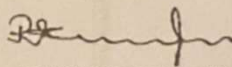
**Consolidated and separate statements of financial position as at March 31, 2022**

		GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	16	149,935,611	144,678,056	104,737,419	88,913,501	83,829,184	78,004,574
Investment in subsidiaries	21	-	-	-	297,000	297,000	297,000
Deposit for shares	21b	-	-	-	57,925,096	57,084,152	45,194,085
<b>Total non-current assets</b>		<b>149,935,610</b>	<b>144,678,056</b>	<b>104,737,419</b>	<b>147,135,597</b>	<b>141,210,336</b>	<b>123,495,659</b>
<b>Current assets</b>							
Inventories	22	54,717,337	55,999,543	55,639,835	52,980,475	54,153,133	38,491,221
Biological assets	18	2,685,634	4,655,554	3,678,493	2,685,634	4,655,554	3,678,493
Trade and other receivables	23	57,857,405	50,155,533	57,529,941	54,849,794	46,302,270	42,456,592
Other assets	19	992,332	138,633	848,922	983,941	137,151	847,464
Asset held for sale	20	868,642	868,642	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	128,593,753	103,009,804	68,637,257	128,261,330	102,055,783	68,407,882
<b>Total current assets</b>		<b>245,715,103</b>	<b>214,827,709</b>	<b>187,203,090</b>	<b>240,629,816</b>	<b>208,172,533</b>	<b>154,750,294</b>
<b>Total assets</b>		<b>395,650,713</b>	<b>359,505,765</b>	<b>291,940,509</b>	<b>387,765,413</b>	<b>349,382,869</b>	<b>278,245,953</b>
<b>Equity</b>							
<b>Attributable to owners of Parent company</b>							
Share capital	25	6,073,439	6,073,439	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	6,320,524	6,320,524
Retained earnings	26	125,125,975	116,253,934	120,632,608	126,534,206	117,436,206	121,470,527
		137,519,938	128,647,897	133,026,571	138,928,169	129,830,169	133,864,490
		(19,029)	(16,747)	(13,269)	-	-	-
<b>Non-controlling interest</b>	27	<b>137,500,909</b>	<b>128,631,150</b>	<b>133,013,303</b>	<b>138,928,169</b>	<b>129,830,169</b>	<b>133,864,489</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
Deferred tax liabilities	13	10,431,964	10,431,964	9,580,350	10,431,964	10,431,964	9,580,350
Lease liability	31.1	822,816	1,134,857	1,337,081	128,946	1,134,857	1,337,081
Borrowings	28	699,412	764,448	984,487	699,412	764,448	984,487
		11,954,192	12,331,269	11,901,918	11,260,322	12,331,269	11,901,918
<b>Current Liabilities</b>							
Current tax liabilities	12.3	15,182,244	10,449,071	4,525,251	15,182,244	10,449,071	4,525,252
Lease liability	31.1	1,588,682	1,220,023	1,130,044	2,210,261	1,171,582	1,050,243
Borrowings	28	232,156	220,039	147,706	232,156	220,039	147,706
Trade and other payables	30	224,935,739	201,382,133	138,214,254	215,695,480	190,108,668	123,748,323
Employee benefits	29	762,568	766,265	962,851	762,567	766,265	962,850
Other liabilities	31	3,494,223	4,505,815	2,045,182	3,494,214	4,505,806	2,045,173
<b>Total current liabilities</b>		<b>246,195,612</b>	<b>218,543,346</b>	<b>147,025,288</b>	<b>237,576,922</b>	<b>207,221,431</b>	<b>132,479,546</b>
<b>Total liabilities</b>		<b>258,149,804</b>	<b>230,874,615</b>	<b>158,927,206</b>	<b>248,837,244</b>	<b>219,552,700</b>	<b>144,381,464</b>
<b>Total equity and liabilities</b>		<b>395,650,713</b>	<b>359,505,765</b>	<b>291,940,509</b>	<b>387,765,413</b>	<b>349,382,869</b>	<b>278,245,953</b>

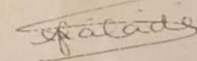
The consolidated and separate financial statements on pages 2 to 49, were approved by the board on April 27, 2022 and were signed on its behalf by:



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



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



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

The accompanying notes on pages 6 to 41 form an integral part of the consolidated and separate financial statements.

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Consolidated and separate statements of changes in equity

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		N'000	N'000	N'000	N'000
<b>Balance as at 1 January 2021</b>		<b>6,073,439</b>	<b>6,320,524</b>	<b>112,908,939</b>	<b>125,302,902</b>
Profit for the period		-	-	8,561,588	8,561,588
<b>Total comprehensive income for the period</b>		-	-	<b>8,561,588</b>	<b>8,561,588</b>
<b>Transaction with owners:</b>					
Dividend paid		-	-	-	-
<b>Balance as at 31 March 2021</b>		<b>6,073,439</b>	<b>6,320,524</b>	<b>121,470,527</b>	<b>133,864,490</b>
<b>Balance as at 1 April 2021</b>		<b>6,073,439</b>	<b>6,320,524</b>	<b>121,470,527</b>	<b>133,864,490</b>
		-	-	-	-
				87,469	87,469
Profit for the period		-	-	14,098,528	14,098,528
<b>Total comprehensive income for the period</b>		-	-	<b>14,185,997</b>	<b>14,185,997</b>
<b>Transaction with owners:</b>					
Dividend paid		-	-	(18,220,317)	(18,220,317)
<b>Balance as at 31 December 2021</b>		<b>6,073,439</b>	<b>6,320,524</b>	<b>117,436,207</b>	<b>129,830,169</b>
Profit for the period		-	-	9,098,000	9,098,000
<b>Total comprehensive income for the period</b>		-	-	<b>9,098,000</b>	<b>9,098,000</b>
<b>Transaction with owners:</b>					
Dividend paid		-	-	-	-
<b>Balance as at 31 March 2022</b>		<b>6,073,439</b>	<b>6,320,524</b>	<b>126,534,207</b>	<b>138,928,169</b>

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
<b>Balance as at 1 January 2021</b>	<b>6,073,439</b>	<b>6,320,524</b>	<b>112,328,413</b>	<b>124,722,376</b>	<b>(10,669)</b>	<b>124,711,707</b>
Profit for the period	-	-	8,304,195	8,304,195	(2,600)	8,301,595
<b>Total comprehensive income for the period</b>	-	-	<b>8,304,195</b>	<b>8,304,195</b>	<b>(2,600)</b>	<b>8,301,595</b>
<b>Transaction with owners:</b>						
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>6,073,439</b>	<b>6,320,524</b>	<b>120,632,608</b>	<b>133,026,571</b>	<b>(13,269)</b>	<b>133,013,302</b>
<b>Balance as at 1 April 2021</b>	<b>6,073,439</b>	<b>6,320,524</b>	<b>120,632,608</b>	<b>133,026,571</b>	<b>(13,269)</b>	<b>133,013,302</b>
Adjustment to the net difference arising on merger			87,469	87,469		87,469
Profit for the period	-	-	13,754,174	13,754,174	(3,478)	13,750,696
<b>Total comprehensive income for the period</b>	-	-	<b>13,841,643</b>	<b>13,841,643</b>	<b>(3,478)</b>	<b>13,838,165</b>
<b>Transaction with owners:</b>						
Dividend paid	-	-	(18,220,317)	(18,220,317)	-	(18,220,317)
<b>Balance as at 31 December 2021</b>	<b>6,073,439</b>	<b>6,320,524</b>	<b>116,253,934</b>	<b>128,647,897</b>	<b>(16,747)</b>	<b>128,631,150</b>
Profit for the period	-	-	8,872,040	8,872,040	(2,282)	8,869,758
<b>Total comprehensive income for the period</b>	-	-	<b>8,872,040</b>	<b>8,872,040</b>	<b>(2,282)</b>	<b>8,869,758</b>
<b>Transaction with owners:</b>						
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>6,073,439</b>	<b>6,320,524</b>	<b>125,125,975</b>	<b>137,519,938</b>	<b>(19,029)</b>	<b>137,500,909</b>

The accompanying notes on pages 6 to 41 form an integral part of the consolidated and separate financial statements.

**Dangote Sugar Refinery Plc.**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

**Consolidated and separate statements of cash flows**

		GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	Note(s)	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
		N'000	N'000	N'000	N'000	N'000	N'000
<b>Cash flows for operating activities</b>							
Profit before taxation		13,602,931	34,021,212	11,948,555	13,831,173	34,629,037	12,208,548
<b>Adjustments for non-cash income and expenses:</b>							
Depreciation of property, plant and equipment	16	2,445,052	9,271,973	1,788,856	2,245,845	8,624,547	1,657,114
Impairment of financial assets	23.3	-	(15,323)	-	-	(15,323)	-
Government grant	21b	-	(75,403)	-	-	(75,403)	-
Provision and release of gratuity	29	-	(1,118)	-	-	(1,118)	-
(Profit)/loss on sale of assets	11	-	16,162	691,711	-	16,162	691,711
Property, plant and equipment impaired and written off	16	-	14,175	-	-	14,175	-
Interest income	8	(810,497)	-	(126,823)	(810,497)	-	(126,823)
Interest expense	10	56,618	320,809	-	62,982	317,082	-
Exchange loss	31.1	-	211,741	-	-	211,741	-
Fair value loss/(gain) on biological assets	9	729,474	(212,173)	-	729,474	(212,173)	-
<b>Changes in working capital</b>							
(Increase)/decrease in Inventory		1,282,206	7,000,757	7,360,465	1,172,658	(2,584,506)	13,077,406
Net (addition)/usage of biological assets		1,240,445	19,068	783,956	1,240,445	19,068	783,956
(Increase)/decrease in trade and other receivables		(7,701,872)	12,920,132	4,257,378	(8,547,524)	(6,915,053)	(7,977,069)
(Increase)/decrease in other assets		(853,699)	(91,944)	(802,233)	(846,790)	(92,534)	(802,847)
Increase/(decrease) in other liabilities		(1,011,592)	1,655,895	(716,401)	(1,011,592)	1,655,895	(716,401)
Increase/(decrease) in trade payables		23,553,606	65,939,443	3,969,184	25,586,812	73,956,114	8,793,386
Increase/(Decrease) in employee benefits		-	-	-	-	-	-
<b>Cash generated from operations</b>		<b>32,532,671</b>	<b>130,995,406</b>	<b>29,154,647</b>	<b>33,652,986</b>	<b>109,547,708</b>	<b>27,588,980</b>
Finance cost paid		-	-	-	-	-	-
Tax paid	12.3	-	(1,546,529)	-	-	(1,546,529)	-
Gratuity paid	29	(3,698)	(202,208)	(6,740)	(3,698)	(202,208)	(6,740)
		<b>32,528,973</b>	<b>129,246,669</b>	<b>29,147,907</b>	<b>33,649,288</b>	<b>107,798,971</b>	<b>27,582,240</b>
<b>Net cash generated from operating activities</b>							
<b>Cash flows from investing activities</b>							
Purchase of property, plant and equipment	16	(7,702,606)	(51,347,183)	(5,484,460)	(7,330,162)	(14,889,515)	(3,655,341)
Proceeds on disposal of property, plant and equipment		-	55,646	-	-	55,646	-
Interest received	8	810,497	-	126,823	810,497	-	126,823
<b>Net cash used in investing activities</b>		<b>(6,892,109)</b>	<b>(51,291,536)</b>	<b>(5,357,637)</b>	<b>(6,519,665)</b>	<b>(14,833,869)</b>	<b>(3,528,517)</b>
<b>Cash flows from financing activities</b>							
Dividends paid	26	-	(18,220,317)	-	-	(18,220,317)	-
Unclaimed dividend received		-	88,337	-	-	88,337	-
Deposit for shares		-	-	-	(840,944)	(15,509,415)	-
Interest paid	28	(52,919)	(64,906)	-	(13,940)	(64,906)	-
Lease Liabilities paid - Interest	31.1	-	(182,969)	33,491	-	(179,242)	6,583
Lease Liabilities paid - Principal		-	(1,158,330)	-	-	(1,150,712)	-
Repayment of borrowings	28	-	(267,584)	(46,945)	(69,194)	(267,584)	(46,945)
<b>Net cash used in financing activities</b>		<b>(52,919)</b>	<b>(19,805,770)</b>	<b>(13,454)</b>	<b>(924,077)</b>	<b>(35,303,840)</b>	<b>(40,362)</b>
<b>Net increase in cash and cash equivalents</b>		<b>25,583,945</b>	<b>58,149,363</b>	<b>23,776,816</b>	<b>26,205,546</b>	<b>57,661,262</b>	<b>24,013,361</b>
Cash and cash equivalents at beginning of period		103,009,804	44,860,441	44,860,441	102,055,783	44,394,521	44,394,521
<b>Cash and cash equivalents at end of the period</b>	24	<b>128,593,753</b>	<b>103,009,804</b>	<b>68,637,257</b>	<b>128,261,330</b>	<b>102,055,783</b>	<b>68,407,882</b>

The accompanying notes on pages 6 to 41 form an integral part of the consolidated and separate financial statements.

# Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

## Notes to the Consolidated and Separate Financial Statements

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### 1 General information

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

The ultimate controlling party is 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 Period ended 31 March comprise the Company and its subsidiaries - Taraba Sugar Company Limited, Adamawa Sugar Company 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.

#### Going Concern status

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

#### 1.3 Operating environment

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

#### 1.4 Financial period

These financial statements cover the financial period from 1 January 2022 to 31 March 2022 with comparatives for the year ended 31 December 2021 and period ended 31 March 2021.

### 2 Significant Accounting Policies

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

#### 2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) of IASB (together "IFRS") that are effective at 31 March 2022 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.



# Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

## Notes to the Consolidated and Separate Financial Statements

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### 2.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for biological assets which is measured at fair value less cost to sell. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Naira unless otherwise stated. The principal accounting policies are set out below:

### 2.3 Consolidation of subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

### 2.4 Revenue recognition

#### a) Accounting policy

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

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

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

#### Sale of goods

Revenue is recognised when the control of the goods and service are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the

Revenue from sale of sugar and molasses is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within one month. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

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

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

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### Revenue recognition (continued)

##### Disaggregation of revenue from contract with customers

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

	Freight services	Sale of sugar	Sale of molasses	Total
	N'000	N'000	N'000	N'000
Revenue from contract with customers	238,151	93,397,121	813,786	94,449,058

#### 2.5 Interest income Recognition

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

#### 2.6 Pensions and Other post-employment benefits

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

#### 2.7 Taxation

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

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates of 30% at the reporting sheet date. Education tax is calculated at 2.5% of the assessable profits in accordance with the Tertiary Education Tax Act.

## **Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### **Notes to the Consolidated and Separate Financial Statements**

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#### **2.7 Taxation (continued)**

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.

Upon disposal of an associate that results in the Company losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company account for all amounts previously recognised in other income in relation to that associate on the assets or liabilities. Therefore , if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets and liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustments) when it loses significant influence over the associate.

When the company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interest in the associates that are not related to the Company.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies.

#### **Deferred tax**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 2.8 Property, plant and equipment

##### i. Recognition and measurement

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

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

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

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

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

##### ii. Subsequent costs

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

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

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

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

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

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.

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 2.8 Property, plant and equipment (continued)

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 Intangible assets

##### Intangible assets acquired separately

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

##### Derecognition of intangible assets

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

##### Impairment of tangible and intangible assets

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

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

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

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

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

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

#### 2.10 Employee benefits

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

##### Short-term employee benefits

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

##### Long-term employee benefits (Defined contribution plan)

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

The group makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The employees contribute 8% of

## 2.10 Employee benefits (continued)

### Long-term employee benefits (Defined benefit plan)

For defined benefit plans, the Group's contributions were based on the recommendations of independent actuaries and the liability measured using the projected unit credit method, up to the date of cessation of the scheme on 30 September, 2013.

Under the plan, the employees were entitled to retirement benefits which vary according to length of service. Actuarial gains and losses were recognised in the income statement. These gains or losses were recognised over the expected average remaining working lives of the employees participating in the plans.

Past-service costs were recognised as an expense on a straight-line basis over the average period until the benefits became vested. If the benefits vested immediately following the introduction of, or changes to, a defined benefit plan, the past-service cost was recognised immediately.

## 2.11 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

## 2.12 Leases

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

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

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

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

### Leases in which the Group is a lessee

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

### Leases in which the Group is a Lessor

#### (i) Operating lease

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

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

#### (ii) Finance lease

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### **Notes to the Consolidated and Separate Financial Statements**

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#### **2.13 Inventories**

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

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

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

#### **2.14 Provisions**

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

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

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

#### **Financial instruments**

##### **a) *Financial instruments accounting policy***

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

##### **i) *Classification and measurement***

Financial assets

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

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

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

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

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 2.15 Financial instruments (continued)

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

##### Financial liabilities

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

##### Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through other comprehensive income (FVOCI). The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

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

The simplified approach requires lifetime expected credit losses to be recognised on initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

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

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

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

##### Significant increase in credit risk and default definition

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

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

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



## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 2.15 Financial instruments (continued)

##### Derecognition

###### Financial assets

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

###### Financial liabilities

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

##### Offsetting of financial assets and financial liabilities

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

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

#### 2.16 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.

#### 2.17 Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated and separate financial statements are presented in Naira which is the Company's functional and presentation currency.

##### Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

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

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

#### 2.18 Borrowing costs

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

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

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 2.19 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

#### 2.20 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 18.

#### 2.21 Business combination under common control

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

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

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

### 3 Critical judgements and sources of estimation uncertainty

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

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

## **Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### **Notes to the Consolidated and Separate Financial Statements**

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#### **i) Impairment of financial assets**

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

#### **Sensitivity of estimates used in IFRS 9 ECL**

##### **Estimation uncertainty in measuring impairment loss**

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

#### **ii) 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.

## **4 New Standards and Interpretations**

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

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

### **ii) New standards and interpretations not yet adopted**

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

5	Revenue	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
		31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
		N'000	N'000	N'000	N'000	N'000	N'000
	Revenue from the sale of sugar - 50kg	91,798,633	269,058,884	65,662,994	91,798,633	269,058,884	65,662,994
	Revenue from the sale of sugar - Retail	1,598,488	4,753,693	1,223,385	1,598,488	4,753,693	1,223,385
	Revenue from the sale of molasses	813,786	1,190,464	243,181	813,786	1,190,464	243,181
	Freight income	238,151	1,051,740	264,072	238,151	1,051,740	264,072
		<b>94,449,058</b>	<b>276,054,781</b>	<b>67,393,632</b>	<b>94,449,058</b>	<b>276,054,780</b>	<b>67,393,632</b>

#### 5.1 Segment information

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

The Group has 4 reportable segments based on location of the principal operations as follows: Northern Nigeria, Western Nigeria, Eastern Nigeria and Lagos.

#### Segmental revenue and results

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

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Nigeria:</b>						
Lagos	36,003,415	126,605,319	28,965,913	36,003,415	126,605,318	28,965,913
North	45,666,716	113,152,624	26,412,074	45,666,716	113,152,624	26,412,074
West	10,291,119	25,330,695	5,398,250	10,291,119	25,330,695	5,398,250
East	2,487,808	10,966,143	6,617,395	2,487,808	10,966,143	6,617,395
	<b>94,449,058</b>	<b>276,054,781</b>	<b>67,393,632</b>	<b>94,449,058</b>	<b>276,054,780</b>	<b>67,393,632</b>

Group	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Nigeria:</b>						
Lagos	36,003,415	28,965,913	(27,499,298)	(21,210,391)	8,504,118	7,755,522
North	45,666,716	26,412,074	(37,160,639)	(19,340,332)	8,506,077	7,071,742
West	10,291,119	5,398,250	(8,188,273)	(3,952,887)	2,102,845	1,445,363
East	2,487,808	6,617,395	(2,138,107)	(4,845,610)	349,701	1,771,785
	<b>94,449,058</b>	<b>67,393,632</b>	<b>(74,986,317)</b>	<b>(49,349,220)</b>	<b>19,462,741</b>	<b>18,044,412</b>

Company	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Nigeria:</b>						
Lagos	36,003,415	28,965,913	(27,499,298)	(21,210,391)	8,504,118	7,755,523
North	45,666,716	26,412,074	(37,160,639)	(19,340,332)	8,506,077	7,071,741
West	10,291,119	5,398,250	(8,188,273)	(3,952,887)	2,102,845	1,445,363
East	2,487,808	6,617,395	(2,138,107)	(4,845,610)	349,701	1,771,785
	<b>94,449,058</b>	<b>67,393,632</b>	<b>(74,986,317)</b>	<b>(49,349,220)</b>	<b>19,462,741</b>	<b>18,044,412</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 5.1 Segment information (Continued)

##### 5.1.1 Segment assets and liabilities

The amount provided to the chief operating decision maker with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the of the segment and the physical location of the asset.

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

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the chief operating decision maker with respect to the total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Group's treasury function.

The table below provides information on the segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the balance as at 31 March 2022;

	Total Segment Assets			Total Segment liabilities		
	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000
<b>Group</b>						
<b>Nigeria:</b>						
Lagos	247,766,905	212,241,053	226,470,087	139,060,528	111,674,586	80,971,039
North	147,883,808	147,264,712	65,470,422	108,657,312	108,768,065	68,375,817
<b>Sub-total</b>	<b>395,650,713</b>	<b>359,505,765</b>	<b>291,940,509</b>	<b>247,717,840</b>	<b>220,442,651</b>	<b>149,346,856</b>
Unallocated deferred tax	-	-	-	10,431,964	10,431,964	9,580,350
<b>Total</b>	<b>395,650,713</b>	<b>359,505,765</b>	<b>291,940,509</b>	<b>258,149,804</b>	<b>230,874,615</b>	<b>158,927,206</b>

	Total Segment Assets			Total Segment liabilities		
	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000
<b>Company</b>						
<b>Nigeria:</b>						
Lagos	306,714,070	270,346,657	278,245,953	139,788,270	112,400,576	134,801,114
North	81,051,343	79,036,212	-	98,617,010	96,720,160	-
<b>Sub-total</b>	<b>387,765,413</b>	<b>349,382,869</b>	<b>278,245,953</b>	<b>238,405,280</b>	<b>209,120,736</b>	<b>134,801,114</b>
Unallocated deferred tax	-	-	-	10,431,964	10,431,964	9,580,350
<b>Total</b>	<b>387,765,413</b>	<b>349,382,869</b>	<b>278,245,953</b>	<b>248,837,244</b>	<b>219,552,700</b>	<b>144,381,464</b>

Included in the Lagos segment is asset held for sale of N868.6 million (2021: N868.6 million).

#### Information about major customers

The company has one customer(NBC) whose sales make up 16% of Total Revenue. Total Revenue from Customer within the 1st Quarter 2022 is #13.8billion and the revenue from the Customer is included in Lagos region

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 5.1 Segment information (Continued)

##### Distributors

The Group sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Group sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g, and 1kg under the brand name "Dangote Sugar". Sales to distributors account for 65% of the Group's revenue.

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

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>6 Cost of sales</b>						
Raw material	63,569,051	183,373,949	39,917,927	63,569,051	183,373,949	39,917,927
Direct labour cost	1,624,636	5,362,783	1,119,441	1,624,636	5,362,783	1,119,441
Direct overheads	5,598,391	20,780,392	4,930,169	5,598,391	20,780,392	4,930,169
Depreciation	1,413,737	5,426,798	841,587	1,413,737	5,426,798	841,587
Freight expenses	2,780,501	10,902,285	2,540,096	2,780,501	10,902,285	2,540,096
	<b>74,986,317</b>	<b>225,846,208</b>	<b>49,349,220</b>	<b>74,986,317</b>	<b>225,846,208</b>	<b>49,349,220</b>

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	697,415	2,583,744.49	701,936	697,415	2,583,744.49	701,936
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#### 7 Administrative expenses

Management fees	214,789	1,014,259	223,178	214,789	1,014,259	223,178
Assessment rates and municipal charges	4,608	37,194	5,895	4,608	37,194	5,895
Auditors Fees and remuneration	26,044	76,000	24,751	24,013	69,750	23,219
Cleaning and fumigation	16,673	94,713	23,121	16,673	94,713	23,121
Legal, consulting and professional fees	39,177	175,482	79,539	39,177	175,482	79,539
Consumables	3,770	8,726	2,142	3,770	8,726	2,142
Depreciation	333,900	1,261,431	245,332	134,694	614,004	113,590
Impairment (note 16)	-	7,313	-	-	7,313	-
Loss on sale of assets	-	-	51,554	-	-	51,554
Donations and scholarship	21,822	1,161,541	3,063	21,822	1,161,541	3,063
Employee costs (note 36)	993,432	3,581,191	847,704	993,432	3,581,191	847,704
Entertainment	1,106	2,509	0	1,106	2,509	-
Insurance	80,721	407,437	79,604	80,721	407,437	79,604
Bank charges	71,028	155,454	34,070	70,190	148,900	32,334
Magazines, books, print and and periodicals	5,356	32,455	5,815	5,356	32,455	5,815
Utilities	41,572	175,731	36,805	41,572	175,731	36,805
Petrol and oil	14,107	51,637	14,213	14,107	51,637	14,213
Repairs and maintenance	65,191	337,919	32,574	65,191	337,919	32,574
Secretarial fees	13,056	241,854	22,836	13,056	241,854	22,836
Security expense	118,438	391,680	78,282	118,438	391,680	78,282
Staff welfare	7,222	412,865	59,560	7,222	412,865	59,560
Subscriptions	4,022	16,576	3,747	4,022	16,576	3,747
Sustainability Expenses	-	2,698	-	-	2,698	-
Telephone and fax	54,737	204,040	50,586	54,737	204,040	50,586
Training	4,819	28,751	10,393	4,819	28,751	10,393
Travel-local	88,747	683,114	185,225	88,747	683,114	185,225
Travel-overseas	18,856	68,391	15,699	18,856	68,391	15,699
	<b>2,243,193</b>	<b>10,630,962</b>	<b>2,135,689</b>	<b>2,041,115</b>	<b>9,970,730</b>	<b>2,000,679</b>

#### Selling and Distribution expenses

Selling and marketing expenses	260,811	906,496	124,105	260,811	906,496	124,105
	<b>260,811</b>	<b>906,496</b>	<b>124,105</b>	<b>260,811</b>	<b>906,496</b>	<b>124,105</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>8 Investment income</b>						
Interest income on bank deposits	810,497	1,419,193	126,823	810,497	1,419,191	126,823
	<b>810,497</b>	<b>1,419,193</b>	<b>126,823</b>	<b>810,497</b>	<b>1,419,191</b>	<b>126,823</b>
Interest is earned on bank deposits at an average rate of 3.5 % p.a. on short term (30days) bank deposits.						
<b>9 Change in fair value of biological assets</b>						
Fair value gain/(loss) on biological assets (Note 18)	(729,474)	212,173	(650,102)	(729,474)	212,173	(650,102)
	<b>(729,474)</b>	<b>212,173</b>	<b>(650,102)</b>	<b>(729,474)</b>	<b>212,173</b>	<b>(650,102)</b>
<b>10 Net finance expense</b>						
Exchange loss in the ordinary course of business	2,606,770	1,992,231	2,297,217	2,580,804	2,047,363	2,174,488
Finance cost on Letter of Credit	830,493	4,316,694	1,036,604	830,493	4,316,694	1,036,604
Interest on lease payments	37,925	182,969	42,456	37,727	179,242	40,202
Interest on bank loan	30,214	137,840	36,188	30,214	137,840	36,188
	<b>3,505,403</b>	<b>6,629,734</b>	<b>3,412,465</b>	<b>3,479,239</b>	<b>6,681,140</b>	<b>3,287,482</b>
<b>11 Other income</b>						
Insurance claim income	23,548	35,597	3,242	23,548	35,597	3,242
Sale of scrap	3,122	46,570	26,234	3,122	46,570	26,234
Grant income	16,275	75,403	-	16,275	75,403	-
Rental income	24,475	188,011	16,875	24,475	188,011	16,875
Provision no longer required	1,154	3,555	-	1,154	2,555	-
(Loss)/Profit on sale of asset	-	(16,162)	51,599	-	(16,162)	51,599
Miscellaneous income	-	169	1,730	-	169	1,730
	<b>68,574</b>	<b>333,142</b>	<b>99,681</b>	<b>68,574</b>	<b>332,142</b>	<b>99,681</b>
<b>12 Taxation</b>						
<b>12.1 Major components of the tax expense</b>						
<b>Current Tax</b>						
Income tax based on profit for the year	4,353,379	9,340,367	2,666,548	4,353,379	515,812	2,666,548
Education tax expense	379,793	1,098,660	303,863	379,793	975,396	303,863
Police trust fund	-	1,731	-	-	-	-
	<b>4,733,173</b>	<b>10,440,759</b>	<b>2,970,411</b>	<b>4,733,173</b>	<b>1,491,208</b>	<b>2,970,411</b>
<b>Deferred tax</b>						
Deferred tax expense/(credit) recognised in the current period	-	846,748	676,549	-	846,748	676,549
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	681,414	-	-	681,414	-
	<b>4,733,173</b>	<b>11,968,921</b>	<b>3,646,960</b>	<b>4,733,173</b>	<b>3,019,370</b>	<b>3,646,960</b>

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

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>12.2 Reconciliation of the tax expense</b>						
Reconciliation between accounting profit and tax expense						
Accounting profit before tax	13,602,931	34,021,212	11,948,555	13,831,173	46,038,947	12,208,548
Income tax expense calculated at 30%	4,353,379	10,388,711	2,666,548	4,353,379	10,388,711	2,666,548
Education tax expense calculated at 2.5% (2021: 2%)	379,793	1,098,660	303,863	379,793	1,098,660	303,863
Effect of income that is exempt from taxation	-	(439,367)	-	-	(439,367)	-
Effect of expenses that are not deductible in determining taxable profit	-	323,461	-	-	323,461	-
Effect of Tax Incentives	-	(41,954)	-	-	(41,954)	-
Effect of tax adjustments (minimum tax )	-	1,731	676,549	-	1,731	676,549
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	681,414	-	-	681,414	-
Difference in tax rate	-	(43,737)	-	-	(43,737)	-
DT not required	-	-	-	-	-	-
<b>Income tax expense recognised in profit or loss</b>	<b>4,733,173</b>	<b>11,968,920</b>	<b>3,646,959</b>	<b>4,733,173</b>	<b>11,968,920</b>	<b>3,646,959</b>

### 12.3 Current tax liabilities

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
At January 1	10,449,071	1,554,841	1,554,840	10,449,071	1,554,841	1,554,841
Charge for the year	4,733,173	10,440,759	2,970,411	4,733,172	10,440,759	2,970,411
Payment made during the year	-	(1,546,529)	-	-	(1,546,529)	-
Balance end of the period	<b>15,182,244</b>	<b>10,449,071</b>	<b>4,525,251</b>	<b>15,182,244</b>	<b>10,449,071</b>	<b>4,525,252</b>

### 13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Property plant and equipment @ 30%	(11,913,613)	(11,913,613)	(10,145,115)	(11,913,613)	(11,913,613)	(10,145,115)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)
Fair value adjustment	(68,956)	(68,956)	-	(68,956)	(68,956)	-
Exchange difference @ 32%	802,447	802,447	-	802,447	802,447	-
Provisions	870,036	870,036	686,643	870,036	870,036	686,643
	<b>(10,431,964)</b>	<b>(10,431,964)</b>	<b>(9,580,350)</b>	<b>(10,431,964)</b>	<b>(10,431,964)</b>	<b>(9,580,350)</b>



## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 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 N'000	Movement recognised in the year-SPL N'000	Movement recognised in the equity N'000	Closing balance N'000
<b>Group as at 31 March 2022</b>				
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment @ 30%	(11,913,613)	-	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate	802,447	-	-	802,447
Fair value adjustment	(68,956)	-	-	(68,956)
Provisions	870,036	-	-	870,036
	<b>(10,431,964)</b>	<b>-</b>	<b>-</b>	<b>(10,431,964)</b>
<b>Company as at 31 March 2022</b>				
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment @ 30%	(11,913,613)	-	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate	802,447	-	-	802,447
Fair value adjustment	(68,956)	-	-	(68,956)
Provisions	870,036	-	-	870,036
	<b>(10,431,964)</b>	<b>-</b>	<b>-</b>	<b>(10,431,964)</b>

#### 14 Operating profit

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

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
Depreciation of property, plant and equipment (note 16)	2,245,846	7,699,160	5,889,886	2,245,845	5,198,055	3,784,167
(Profit)/loss on sale of property, plant and equipment (note 11)	-	(7,218)	-	-	(7,218)	-
Defined contribution plans (note 36)	101,335	254,532	265,581	101,335	302,270	216,913
Auditors remuneration	26,044	68,026	49,971	24,013	54,221	38,721

#### 15 Earnings per share

##### Basic and diluted earnings per share

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

The weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
Profit for the period	8,872,040	22,058,369	8,304,195	9,098,000	22,660,116	8,561,588
Earnings used in the calculation of basic earnings per share from continuing operations	<b>8,872,040</b>	<b>22,058,369</b>	<b>8,304,195</b>	<b>9,098,000</b>	<b>22,660,116</b>	<b>8,561,588</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>12,146,878</b>	<b>12,146,878</b>	<b>12,146,878</b>	<b>12,146,878</b>	<b>12,146,878</b>	<b>12,146,878</b>
Basic and diluted earnings per share from continuing operations (Naira)	0.73	1.82	0.68	0.75	1.87	0.70

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 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
<b>Balance, 1/1/2021</b>	<b>7,641,217</b>	<b>5,663,744</b>	<b>20,419,321</b>	<b>37,906,658</b>	<b>405,300</b>	<b>25,703,878</b>	<b>293,982</b>	<b>899,828</b>	<b>8,791,048</b>	<b>40,593,579</b>	<b>148,318,556</b>
Additions during the year	3,475	-	915,686	4,535,237	16,212	603,498	64,008	-	293,676	45,783,225	52,215,018
Prior year addition recognised	-	87,469	-	-	-	-	-	-	-	-	87,469
Reclassifications write off	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
<b>Balance, 31/12/2021</b>	<b>9,516,973</b>	<b>5,751,213</b>	<b>21,992,422</b>	<b>43,476,696</b>	<b>408,146</b>	<b>30,125,393</b>	<b>361,395</b>	<b>899,828</b>	<b>9,141,897</b>	<b>78,164,836</b>	<b>199,838,801</b>
Addition-BIP	-	-	20,000	-	-	-	-	-	-	352,445	372,445
Additions during the period	1,214,475	-	-	149,314	13,527	4,427,538	7,709	-	14,981	1,502,618	7,330,162
<b>Balance, 31/3/2022</b>	<b>10,731,448</b>	<b>5,751,213</b>	<b>22,012,422</b>	<b>43,626,010</b>	<b>421,673</b>	<b>34,552,931</b>	<b>369,104</b>	<b>899,828</b>	<b>9,156,878</b>	<b>80,019,899</b>	<b>207,541,408</b>
<b>DEPRECIATION:</b>											
<b>Balance, 1/1/2021</b>	<b>4,733,737</b>	<b>66,244.83</b>	<b>4,255,137</b>	<b>17,215,180</b>	<b>297,100</b>	<b>12,933,388</b>	<b>249,439</b>	<b>254,910</b>	<b>6,579,892</b>	-	<b>46,585,030</b>
Charge for the year	1,770,568	-	1,137,632	1,576,770	41,546	3,493,692	37,291	35,993	1,178,481	-	9,271,973
Written off	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
<b>Balance, 31/12/2021</b>	<b>6,504,305</b>	<b>66,245</b>	<b>5,392,770</b>	<b>18,702,941</b>	<b>324,937</b>	<b>15,898,333</b>	<b>285,255</b>	<b>290,904</b>	<b>7,695,054</b>	-	<b>55,160,743</b>
Charge for the period	413,408	-	295,544	357,308	9,656	876,277	9,060	8,998	275,594	-	2,245,846
Charge-BIP	-	-	16,010	81,101	13	90,822	1,102	-	10,159	-	199,207
<b>Balance, 31/3/2022</b>	<b>6,917,713</b>	<b>66,245</b>	<b>5,704,324</b>	<b>19,141,350</b>	<b>334,606</b>	<b>16,865,431</b>	<b>295,417</b>	<b>299,902</b>	<b>7,980,808</b>	-	<b>57,605,796</b>
<b>NET BOOK VALUE:</b>											
<b>Balance, 31/12/2021</b>	<b>3,012,669</b>	<b>5,684,968</b>	<b>16,599,653</b>	<b>24,773,755</b>	<b>83,209</b>	<b>14,227,060</b>	<b>76,140</b>	<b>608,924</b>	<b>1,446,843</b>	<b>78,164,836</b>	<b>144,678,058</b>
<b>Balance, 31/3/2022</b>	<b>3,813,735</b>	<b>5,684,968</b>	<b>16,308,098</b>	<b>24,484,660</b>	<b>87,067</b>	<b>17,687,499</b>	<b>73,687</b>	<b>599,926</b>	<b>1,176,070</b>	<b>80,019,899</b>	<b>149,935,611</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 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
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>COST:</b>											
<b>Balance, 1/1/2021</b>	<b>7,641,217</b>	<b>5,058,991</b>	<b>17,039,923</b>	<b>35,748,335</b>	<b>405,508</b>	<b>24,492,305</b>	<b>285,711</b>	<b>899,828</b>	<b>6,989,958</b>	<b>24,308,408</b>	<b>122,870,186</b>
Additions during the year	3,475		879,771	235,463	16,212	238,806	58,399	-	269,422	14,052,639	15,754,187
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
write off	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
<b>Balance, 31/12/2021</b>	<b>9,516,973</b>	<b>5,146,460</b>	<b>18,577,109</b>	<b>37,018,599</b>	<b>408,354</b>	<b>28,549,127</b>	<b>347,515</b>	<b>899,828</b>	<b>7,316,555</b>	<b>30,149,078</b>	<b>137,929,600</b>
Additions during the period	1,214,475	-	-	149,314	13,527	4,427,538	7,709	-	14,981	1,502,618	7,330,162
<b>Balance, 31/3/2022</b>	<b>10,731,448</b>	<b>5,146,460</b>	<b>18,577,109</b>	<b>37,167,913</b>	<b>421,881</b>	<b>32,976,665</b>	<b>355,224</b>	<b>899,828</b>	<b>7,331,536</b>	<b>31,651,696</b>	<b>145,259,762</b>
<b>DEPRECIATION:</b>											
<b>Balance, 1/1/2021</b>	<b>4,733,737</b>	<b>66,245</b>	<b>4,008,633</b>	<b>18,576,900</b>	<b>319,978</b>	<b>13,719,965</b>	<b>246,038</b>	<b>254,910</b>	<b>4,245,722</b>	-	<b>46,172,130</b>
Charge for the year	1,770,568	-	1,078,816	1,376,030	41,493	3,148,616	33,742	35,993	1,139,288	-	8,624,547
Written off/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	(0)
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
<b>Balance, 31/12/2021</b>	<b>6,504,305</b>	<b>66,245</b>	<b>5,087,448</b>	<b>19,863,922</b>	<b>347,763</b>	<b>16,339,834</b>	<b>278,305</b>	<b>290,904</b>	<b>5,321,691</b>	-	<b>54,100,417</b>
Charge for the period	413,408	-	295,544	357,308	9,656	876,277	9,060	8,998	275,594	-	2,245,845
<b>Balance, 31/3/2022</b>	<b>6,917,713</b>	<b>66,245</b>	<b>5,382,992</b>	<b>20,221,230</b>	<b>357,419</b>	<b>17,216,110</b>	<b>287,365</b>	<b>299,902</b>	<b>5,597,285</b>	-	<b>56,346,263</b>
<b>NET BOOK VALUE:</b>											
<b>Balance, 31/12/2021</b>	<b>3,012,669</b>	<b>5,080,218</b>	<b>13,489,660</b>	<b>17,154,678</b>	<b>60,591</b>	<b>12,209,293</b>	<b>69,210</b>	<b>608,925</b>	<b>1,994,864</b>	<b>30,149,078</b>	<b>83,829,183</b>
<b>Balance, 31/3/2022</b>	<b>3,813,735</b>	<b>5,080,216</b>	<b>13,194,117</b>	<b>16,946,684</b>	<b>64,463</b>	<b>15,760,554</b>	<b>67,859</b>	<b>599,926</b>	<b>1,734,251</b>	<b>31,651,696</b>	<b>88,913,501</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>17 Biological assets</b>						
<b>Cost</b>						
Carrying value at the beginning of the period	4,655,554	4,462,449	4,462,449	4,655,554	4,462,449	4,462,449
Acquired during the year	-	-	-	-	-	-
Net (usage)/addition	(1,240,445)	(19,068)	(133,853)	(1,240,445)	(19,068)	(133,853)
Fair value adjustments	(729,474)	212,173	(650,102)	(729,474)	212,173	(650,102)
Carrying amount at the end of the period	<u>2,685,635</u>	<u>4,655,554</u>	<u>3,678,493</u>	<u>2,685,635</u>	<u>4,655,554</u>	<u>3,678,493</u>
Current	2,685,634	4,655,554	3,678,493	2,685,634	4,655,554	3,678,493
Non-current	-	-	-	-	-	-
	<u>2,685,634</u>	<u>4,655,554</u>	<u>3,678,493</u>	<u>2,685,634</u>	<u>4,655,554</u>	<u>3,678,493</u>

#### 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 March 2022, the group has a total of 7,462.3 hectares of growing canes.

#### Basis for measurement of fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Key assumptions and inputs	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
Industry out-grower price. (N per ton)	13,479	12,502	10,842	13,479	12,502	10,842
Average yield per hectare (tonnes)	79.90	85.57	82.37	79.90	85.57	82.37
Discount rate (%)	15.65%	15.65%	11.66%	15.65%	15.65%	11.66%

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

#### 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 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>19 Other assets</b>						
Prepaid rent	34,999	-	-	34,999	-	-
Prepaid insurance	234,273	63,737	19,999	228,131	63,631	19,999
Prepaid housing allowances	694,352	19,068	708,598	694,352	19,068	708,598
Prepaid medicals	-	48,515	93,312	-	48,515	93,312
Others	28,708	7,313	27,013.19	26,458	5,938	25,554.86
	<u>992,332</u>	<u>138,633</u>	<u>848,922</u>	<u>983,941</u>	<u>137,151</u>	<u>847,464</u>
Current	992,332	138,633	848,922	983,941	137,151	847,464
Non-current portion	-	-	-	-	-	-
	<u>992,332</u>	<u>138,633</u>	<u>848,922</u>	<u>983,941</u>	<u>137,151</u>	<u>847,464</u>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
<b>20 Asset held for sale</b>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>

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

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

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

### 21 Investment in subsidiaries

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

Company	Name of Company	Held by	% interest	Carrying amount		
				Mar 2022	Dec 2021	Mar 2021
			N'000	N'000	N'000	
	Dangote Taraba Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
	Dangote Adamawa Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
	Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
				<u>297,000</u>	<u>297,000</u>	<u>297,000</u>

### 21b Deposit for shares

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

Total funding to date	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000
Nasarawa Sugar Company Limited	31,993,004	31,684,297	27,708,550
Dangote Adamawa Sugar Ltd	24,035,261	23,504,421	15,590,540
Dangote Taraba Sugar Ltd	1,896,831	1,895,434	1,894,995
	<u>57,925,096</u>	<u>57,084,152</u>	<u>45,194,085</u>

### 22 Inventories

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Raw materials	8,361,238	10,009,094	8,779,639	8,361,238	10,009,094	8,779,639
Raw material in transit	9,821,511	6,308	9,193	9,821,511	6,308	9,193
Work-in-process	1,739,239	1,664,963	580,615	1,739,239	1,664,963	580,615
Finished goods	5,727,627	18,644,956	5,711,575	5,727,627	18,644,956	5,711,575
Finished goods in transit	1,200,972	482,224	584,977	1,200,972	482,224	584,977
Production supplies	24,760,601	21,776,102	38,842,987	23,023,914	19,931,898	21,701,111
Chemicals and consumables	3,021,561	3,492,458	1,171,539	3,021,385	3,490,252	1,164,801
Packaging materials	428,663	267,514	303,386	428,663	267,514	303,386
	<u>55,061,413</u>	<u>56,343,619</u>	<u>55,983,911</u>	<u>53,324,550</u>	<u>54,497,209</u>	<u>38,835,297</u>
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)
	<u>54,717,337</u>	<u>55,999,543</u>	<u>55,639,835</u>	<u>52,980,475</u>	<u>54,153,133</u>	<u>38,491,221</u>
<b>Movement in provision for obsolete inventory</b>						
As at 1 January	(344,076)	(344,076)	-	(344,076)	(344,076)	-
Charge for the period	-	-	-	-	-	-
As at 31 March	<u>(344,076)</u>	<u>(344,076)</u>	-	<u>(344,076)</u>	<u>(344,076)</u>	-
Amount of inventory charged as expense in the period:	-	-	-	-	-	-

No inventory was pledged as security for any liability.

**Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

**Notes to the Consolidated and Separate Financial Statements**

23 Trade and other receivables	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	7,727,563	14,261,870	9,531,990	7,727,563	14,261,870	9,531,990
Allowance for doubtful debts and impairments	(469,939)	(469,939)	(260,729)	(469,939)	(469,939)	(260,729)
	<b>7,257,624</b>	<b>13,791,931</b>	<b>9,271,261</b>	<b>7,257,624</b>	<b>13,791,931</b>	<b>9,271,261</b>
Staff loans and advances	142,500	130,919	160,961	126,370	127,143	121,438
Other financial assets	35,826,018	21,314,383	16,691,179	35,480,639	20,141,687	16,691,179
Advance payment to contractors	5,800,137	8,143,889	19,613,335	3,156,701	5,468,628	5,250,230
Insurance claim receivable	373,388	373,388	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(373,388)	(236,239)	(373,388)	(373,388)	(236,239)
Negotiable Duty Credit Certificates (Note 23.1)	623,592	707,085	707,085	623,592	707,085	707,085
Other receivables	4,432,050	1,614,800	3,077,557	4,429,384	1,613,269	2,431,994
Allowance for impaired other receivables	(76,934)	(95,885)	(228,829)	(76,934)	(95,885)	(228,829)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)	(23,950)	(23,950)
Amount due from related parties (Note 35)	4,442,837	5,138,831	9,052,345	4,442,837	5,138,831	9,027,186
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(389,301)	(373,541)	(389,301)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(177,168)	(554,610)	(177,168)	(177,168)	(554,610)
	<b>57,857,405</b>	<b>50,155,533</b>	<b>57,529,941</b>	<b>54,849,794</b>	<b>46,302,270</b>	<b>42,456,592</b>

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

Trade receivables disclosed above include amounts (see note 32 for aged analysis) that are past due more than 30 days as at the reporting date for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

**23.1 Negotiable duty credit certificate**

The Company has received certificates for N805.7 million termed as Negotiable Duty Credit Certificate (NDCC). The NDCC is an instrument of the government for settling of the EEG receivables. The NDCC is used for the payment of Import and Excise duties in lieu of cash. For more than one year, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

Though, a significant component of the NDCC/EEG receivable have been outstanding for more than one year, no impairment charge has been recognised by the Company in the current year because they are regarded as sovereign debt since it is owed by the government. Moreover, the government has not communicated or indicated unwillingness to honour the obligations. On the contrary, the government has announced a resumption of the scheme in 2017. Thus, the outstanding balances are classified as current assets accordingly.

**23.2 Allowance for impairment of financial assets**

Company	Other Receivables		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 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,069
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	<b>373,388</b>	<b>469,939</b>	<b>389,301</b>	<b>177,168</b>	<b>23,950</b>	<b>1,433,746</b>
Net impact on retained earnings in prior period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 1/1/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the period	-	-	-	-	-	-
Balance as at 31/3/2022	<b>373,388</b>	<b>469,939</b>	<b>389,301</b>	<b>177,168</b>	<b>23,950</b>	<b>1,433,746</b>
Net impact on retained earnings in current period	-	-	-	-	-	-

**Dangote Sugar Refinery Plc**  
Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

**Notes to the Consolidated and Separate Financial Statements**

Group	Other	Trade	Related party		Staff loans	Total
	Receivables		Trade-related	Non-trade related		
	N'000		N'000	N'000		
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,070
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in prior period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 1/1/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the period	-	-	-	-	-	-
Balance as at 31/3/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current period	-	-	-	-	-	-
<b>23.3 Provision for impairment (gain)/loss on financial assets</b>	<b>GROUP</b>	<b>GROUP</b>	<b>GROUP</b>	<b>COMPANY</b>	<b>COMPANY</b>	<b>COMPANY</b>
	<b>31/3/2022</b>	<b>31/12/2021</b>	<b>31/3/2021</b>	<b>31/3/2022</b>	<b>31/12/2021</b>	<b>31/3/2021</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at the beginning of the period	1,433,748	1,449,071	1,449,070	1,433,748	1,449,071	1,449,069
Impairment (gain)/loss recognised in profit or loss	-	(15,323)	-	-	(15,323)	-
	1,433,748	1,433,748	1,449,070	1,433,748	1,433,748	1,449,069
Receivables written off as uncollectible	-	-	-	-	-	-
Balance at the end of the period	1,433,748	1,433,748	1,449,070	1,433,748	1,433,748	1,449,069
<b>24 Cash and cash equivalents</b>						
For the purpose of the statement of cash flows, cash and cash						
	<b>GROUP</b>	<b>GROUP</b>	<b>GROUP</b>	<b>COMPANY</b>	<b>COMPANY</b>	<b>COMPANY</b>
	<b>31/3/2022</b>	<b>31/12/2021</b>	<b>31/3/2021</b>	<b>31/3/2022</b>	<b>31/12/2021</b>	<b>31/3/2021</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash in hand	5,400	5,400	4,082	2,400	2,400	2,150
Bank balances	19,620,261	21,329,257	24,254,175	19,290,838	20,378,236	24,026,732
Short term deposits	106,628,092	79,335,147	43,116,000	106,628,092	79,335,147	43,116,000
Nigerian Treasury bill	2,340,000	2,340,000	1,263,000	2,340,000	2,340,000	1,263,000
	<b>128,593,753</b>	<b>103,009,804</b>	<b>68,637,257</b>	<b>128,261,330</b>	<b>102,055,783</b>	<b>68,407,882</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Authorised:</b>						
15,000,000,000 Ordinary shares issued at N0.50 each	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
<b>Balance at March 31</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>Allotted, called up issued and fully paid:</b>						
12,146,878,239 Ordinary shares issued at N0.5 each	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439
<b>Balance at March 31</b>	<b>6,073,439</b>	<b>6,073,439</b>	<b>6,073,439</b>	<b>6,073,439</b>	<b>6,073,439</b>	<b>6,073,439</b>
<b>Share premium</b>						
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	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.

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>26 Retained earnings</b>						
Balance at January 1	116,253,934	112,328,413	112,328,413	117,436,206	112,908,938	112,908,939
Adjustment to net difference arising on merger	-	87,469	-	-	87,469	-
Profit for the period	8,872,040	22,058,369	8,304,195	9,098,000	22,660,116	8,561,588
Dividend paid during the period	-	(18,220,317)	-	-	(18,220,317)	-
<b>Balance at March 31</b>	<b>125,125,975</b>	<b>116,253,934</b>	<b>120,632,608</b>	<b>126,534,206</b>	<b>117,436,206</b>	<b>121,470,527</b>
<b>27 Non-controlling interest</b>						
Balance brought forward	(16,747)	(10,669)	(10,669)	-	-	-
Share of Profit/(loss) for the period	(2,282)	(6,078)	(2,600)	-	-	-
<b>Balance at March 31</b>	<b>(19,030)</b>	<b>(16,747)</b>	<b>(13,269)</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>28 Borrowings</b>						
<i>Held at amortised cost</i>						
Bank loan	931,568	984,487	1,132,193	931,568	984,487	1,132,193
	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>
Non-current liabilities	699,412	764,448	984,487	699,412	764,448	984,486.79
Current liabilities	232,156	220,039	147,706	232,156	220,039	147,706
	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>
<b>Movement of borrowings</b>						
Balance brought forward	984,487	1,179,138	1,179,138	984,487	1,179,138	1,179,138
Accrued interest	30,214	137,840	36,188	30,214	137,840	36,188
Interest payment	(13,940)	(64,906)	(36,188)	(13,940)	(64,906)	(36,188)
Principal repayment	(69,194)	(267,584)	(46,945)	(69,194)	(267,584)	(46,945)
	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>	<b>931,568</b>	<b>984,487</b>	<b>1,132,193</b>

In 2016, the Group received a 10-year loan of N2 Billion from Zenith Bank Plc, with two years moratorium on principal, at an interest of 5% per annum payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.

The loan above was obtained under the Commercial Agriculture Credit Scheme (CACS) initiative of the Central Bank of Nigeria for the purpose of part-financing the ongoing rehabilitation and expansion projects in the Company under the scheme

### 29 Employee benefits

#### Defined benefit plan

The Group operated a defined benefit plan for all qualifying employees up till 30 September 2013. Under the plan, the employees were entitled to retirement benefits which vary according to length of service. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand. The amounts stated in the financial statement as at 2013 are based on actuarial valuation carried out in 2013. For the purpose of comparison the present value of the defined benefit obligation, and the related current service cost and past service cost stated in the books up till 30 September 2013 was measured using the Project Unit Credit Method.

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

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Movement in gratuity</b>						
Balance as at 1 January	766,265	969,591	969,591	766,265	969,591	969,591
Additional provision	-	1,437	-	-	1,437	-
Released provision (Benefit paid previously)	-	(2,555)	-	-	(2,555)	-
Benefits paid from plan	(3,698)	(202,208)	(6,741)	(3,698)	(202,208)	(6,741)
Balance as at 31 March	<b>762,568</b>	<b>766,265</b>	<b>962,851</b>	<b>762,567</b>	<b>766,265</b>	<b>962,850</b>

#### Defined contribution plan

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees contribute 8% of their gross salary (basic, housing and transport) while the Group contributes 10% on behalf of the employees to the same plan.

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>30 Trade and other payables</b>						
Trade payables	11,103,136	11,845,970	14,957,988	3,998,331	4,618,972	2,288,878
Letters of Credit	178,952,004	154,412,777	88,432,960	177,550,490	151,587,769	88,432,960
Dividend Payable	1,556,243	1,556,243	1,467,906	1,556,243	1,556,243	1,467,906
Accruals and sundry creditors	19,269,290	18,900,029	16,045,492	19,117,715	18,681,322	14,956,303
Other credit balances	3,668,258	3,281,357	11,021,621	3,383,731	2,993,695	10,317,320
Due to related parties (Note 35)	10,386,808	11,385,757	6,288,288	10,088,971	10,670,667	6,284,957
	<b>224,935,739</b>	<b>201,382,133</b>	<b>138,214,254</b>	<b>215,695,480</b>	<b>190,108,668</b>	<b>123,748,323</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>31 Other Liabilities</b>						
Advance payment for goods	3,494,223	4,505,815	2,045,182	3,494,214	4,505,806	2,045,173
<b>31.1 Lease Liability</b>	2,411,498	2,354,880	2,467,125	2,339,207	2,306,439	2,387,323
<i>Lease liabilities</i>						
	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
Opening balance as at 1 January	2,354,880	2,433,632	2,322,160	2,306,439	2,380,739	2,280,637
Additions	20,000	867,835	31,910	-	864,672	9,335
Interest expense	62,644	182,969	164,376	37,727	179,242	157,297
Exchange Difference	-	211,741	421,704	-	211,741	421,704
Payments made during the period	(26,026)	(1,341,299)	(473,025)	(4,959)	(1,329,954)	(481,649)
Closing balance as at 31 March	<b>2,411,498</b>	<b>2,354,880</b>	<b>2,467,125</b>	<b>2,339,207</b>	<b>2,306,439</b>	<b>2,387,323</b>
Current	1,588,682	1,220,023	1,130,044	2,210,261	1,171,582	1,050,243
Non-current	822,816	1,134,857	1,337,081	128,946	1,134,857	1,337,081
	<b>2,411,498</b>	<b>2,354,880</b>	<b>2,467,125</b>	<b>2,339,207</b>	<b>2,306,439</b>	<b>2,387,323</b>
<b>31.2 Amounts recognised in the statement of profit or loss</b>						
	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
Depreciation charge on right of use assets						
Land	16,174	72,643	34,025	10,046	72,643	34,025
Buildings	197,244	731,844	605,342	188,894	703,319	582,919
	<b>213,418</b>	<b>804,487</b>	<b>639,367</b>	<b>198,940</b>	<b>775,962</b>	<b>616,944</b>
Interest expense (included in finance cost)	37,925	182,969	42,456	37,727	179,242	40,202
Foreign exchange difference	-	211,741	421,704	-	211,741	421,704
Expense related to short term leases (included in administrative expenses)	-	20,486	25,868	-	20,486	25,868

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 31.4 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 31/3/2022 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2021 N'000
<i>Other income</i>						
Rental income on operating lease (Note 11)	24,475	67,500	16,875	24,475	67,500	16,875

#### 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 March 2021 (see below).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position as at 31 March 2022) less cash and cash equivalents. Total capital is calculated as 'equity' as shown as at 31 March 2022 plus net debt.

The gearing ratio at 2022 and 2021 respectively were as follows:

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Total borrowings</b>						
Borrowings (Note 28)	931,568	984,487	1,132,193	931,568	984,487	1,132,193
Less: Cash and cash equivalent (Note 24)	128,593,753	103,009,804	68,637,257	128,261,330	102,055,783	68,407,882
Net Cash	127,662,185	102,025,317	67,505,064	127,329,762	101,071,296	67,275,689
Total Equity	137,500,909	128,631,150	133,013,303	138,928,169	129,830,169	133,864,489
Gearing ratio	1%	1%	1%	1%	1%	1%

##### Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

##### Liquidity risk management

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, our allocation of Letters of Credit on raw sugar and spares/chemicals are spread over dedicated banks. Therefore, the establishment of these Letters of Credit which are commitments by the banks provide security to our funds placed on deposit accounts. In other words our funds placed are substantially tied to our obligations on raw sugar and spares.

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 32 Risk management (continued)

Group	Less than one year	More than one year	Total
At 31 March 2022	N'000	N'000	N'000
Borrowings	232,156	699,412	931,568
Lease liability	1,588,682	822,816	2,411,498
Trade and other payables	40,759,234	-	40,759,234
	<b>42,580,072</b>	<b>1,522,228</b>	<b>44,102,300</b>
<b>At 31 December 2021</b>			
Borrowings	220,039	764,448	984,487
Lease liability	1,220,023	1,134,857	2,354,880
Trade and other payables	42,131,756	-	42,131,756
	<b>43,571,818</b>	<b>1,899,305</b>	<b>45,471,123</b>
<b>At 31 March 2021</b>			
Borrowings	147,706	984,487	1,132,193
Lease liability	1,130,044	1,337,081	2,467,125
Trade and other payables	37,291,768	-	37,291,768
	<b>38,569,518</b>	<b>2,321,568</b>	<b>40,891,086</b>
<b>Company</b>			
<b>At 31 March 2022</b>			
	Less than one year	More than one year	Total
	N'000	N'000	N'000
Borrowings	232,156	699,412.00	931,568.00
Lease liability	2,210,261	128,946	2,339,207.00
Trade and other payables	33,205,016	-	33,205,016
	<b>35,647,433</b>	<b>828,358</b>	<b>36,475,791</b>
<b>At 31 December 2021</b>			
Borrowings	220,039	984,487	1,204,526
Lease liability	1,171,582	1,337,081	2,508,663
Company	33,970,961	-	33,970,961
	<b>35,362,582</b>	<b>2,321,568</b>	<b>37,684,150</b>
<b>At 31 March 2021</b>			
Borrowings	147,706	984,487	1,132,193
Lease liability	1,050,243	1,337,081	2,387,324
Trade and other payables	23,530,138	-	23,530,138
	<b>24,728,087</b>	<b>2,321,568</b>	<b>27,049,655</b>

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its investing activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial institutions. The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

Before accepting any new customer to buy on credit, the customer must have purchased goods on cash basis for a minimum period of six months in order to test the financial capability of the customer. Based on good credit rating by the credit committee of the Company, the customer may be allowed to migrate to credit purchases after the presentation of an acceptable bank guarantee which must be valid for one year.

#### Concentration of risk

16% of the trade receivables are due from a single customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 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	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022	31/12/2021	31/3/2021	31/3/2022	31/12/2021	31/3/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	7,257,624	13,791,931	9,271,261	7,257,624	13,791,931	9,271,261
Other receivables	4,847,054	1,999,271	3,359,126	4,828,258	1,993,965	2,674,041
Deposit for open Letters of Credit with the banks	35,826,018	21,314,383	16,691,179	35,480,639	20,141,687	16,691,179
Amount due from related party	3,876,368	4,572,362	8,124,193	3,876,368	4,572,362	8,099,035
Cash and cash equivalents	128,593,753	103,009,804	68,637,257	128,261,330	102,055,783	68,407,882
	<b>180,400,817</b>	<b>144,687,751</b>	<b>106,083,016</b>	<b>179,704,219</b>	<b>142,555,728</b>	<b>105,143,398</b>

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.

##### **Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations in interest rates on its borrowings. The Group pays fixed/floating rate interest on its borrowings. The company actively monitors interest rate exposures on its investment portfolio and borrowings so as to minimise the effect of interest rate fluctuations on the 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.

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### 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 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Assets</b>						
Trade and other receivables	51,807,064	41,677,947	37,445,759	51,442,889	40,499,945	36,735,516
Cash and cash equivalents	128,593,753	103,009,804	68,637,257	128,261,330	102,055,783	68,407,882
	<b>180,400,817</b>	<b>144,687,751</b>	<b>106,083,016</b>	<b>179,704,219</b>	<b>142,555,728</b>	<b>105,143,398</b>

#### 34 Financial liabilities by category

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Liabilities</b>						
Borrowings	931,568	984,487	1,132,193	931,568	984,487	984,487
Lease liabilities	2,411,498	2,354,880	2,467,125	2,339,207	2,306,439	2,387,323
Trade and other payables	224,935,739	201,382,133	54,497,731	215,695,480	190,108,668	123,748,323
	<b>228,278,805</b>	<b>204,721,500</b>	<b>58,097,049</b>	<b>218,966,255</b>	<b>193,399,594</b>	<b>127,120,133</b>

#### 35 Related party information

##### 35.1 Related parties and Nature of relationship and transactions

###### Related parties

NASCON Allied Industries PLC

Bluestar services Limited

Bluestar Clearing Limited

Savannah Sugar Company Limited

Taraba Sugar Company Limited

Adamawa Sugar Company Limited

Nassarawa Sugar Company Limited

Niger Sugar project Limited

Dangote Global Services Limited (UK)

Dangote Oil and Gas Company Limited

Dangote Industries Limited

Dancom Technologies Limited

MHF Properties Limited

Greenview Development Company Limited

Kura Holdings Limited

Aliko Dangote Foundation

Dangote Sinotrucks west Africa Limited

Dangote Cement Plc

Dangote Packaging Limited

###### Nature of relationship and transactions

Fellow subsidiary from which the Company purchases raw salt as input in the production process

Fellow subsidiary Company that provides clearing and stevedoring services

Fellow subsidiary Company that provides clearing and stevedoring services

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Fellow subsidiary- Payment for foreign procurements

Fellow subsidiary - Supply of AGO and LPFO

Parent company that provides management support and receives 7.5% of total reimbursables as management fees

Fellow subsidiary - Supply of IT services

Fellow subsidiary - Property rentals.

Fellow subsidiary - Property rentals.

Fellow subsidiary - Travel services

Under common control- Incurs expenses on each other's behalf

Fellow subsidiary- Supply of fleet trucks

Fellow subsidiary - exchange of diesel and LPFO

Fellow subsidiary- Supplies empty for bagging of finished sugar

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 35 Related party information (continued)

iv) Amount owed by related parties	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000
Dangote Global Services Limited (UK)	1,149,295	1,097,948	1,368,971	1,149,295	1,097,948	1,368,971
NASCON Allied Industries PLC	208,468	152,465	271,432	208,468	152,465	271,432
Dangote Sinotruck west Africa Limited	-	-	17,800	-	-	-
Greenview Development Nigeria Limited	477,921	288,603	2,225,815	477,921	288,603	2,225,815
Dangote Oil and Gas Company Limited	181,081	181,081	-	181,081	181,081	-
Dangote Fertilizer Limited	-	1,107,193	1,107,193	-	1,107,193	1,107,193
Dancom Technologies Limited	20,076	-	25,291	20,076	-	25,291
AG Dangote Construction Limited	959,130	959,130	959,130	959,130	959,130	959,130
Kura Holdings Limited	5,606	-	-	5,606	-	-
Dangote Rice	-	-	700	-	-	700
Aliko Dangote Foundation	94,867	81,667	125,467	94,867	81,667	125,467
Dangote Cement PLC	1,346,093	1,270,744	-	1,346,093	1,270,744	-
Dangote Industries Limited	300	-	2,950,546	300	-	2,943,188
<b>Gross amount due from related parties (Note 23)</b>	<b>4,442,837</b>	<b>5,138,831</b>	<b>9,052,345</b>	<b>4,442,837</b>	<b>5,138,831</b>	<b>9,027,187</b>
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(389,301)	(179,863)	(389,301)	(389,301)	(179,863)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(177,168)	(377,406)	(177,168)	(177,168)	(377,406)
<b>Net amount due from related parties</b>	<b>3,876,368</b>	<b>4,572,362</b>	<b>8,061,745</b>	<b>3,876,368</b>	<b>4,572,362</b>	<b>40,157,489</b>
v) Amount owed to related parties						
Dangote Cement PLC	4,657,272	7,116,217	4,851,818	4,586,859	6,749,076	4,851,294
Dangote Packaging Limited	139,777	602,842	153,661	139,777	602,842	153,661
Dangote Oil and Gas Company Limited	-	-	11,258	-	-	11,258
Kura Holdings Limited	-	30,325	25,718	-	30,325	25,718
Dangote Fertilizer Limited	2,898,363	-	-	2,898,363	-	-
Bluestar Shipping line Limited	959,095	1,119,791	58,946	734,375	774,547	58,946
Dancom Technologies Limited	2,705	17,263	2,807	-	14,558	-
Dangote Nigeria Limited Clearing	693	693	693	693	693	693
Dangote Sinotruck west Africa Limited	176,360	176,360	1,069,048	176,360	176,360	1,069,048
Dangote Industries Limited	1,552,543	2,322,266	114,339	1,552,543	2,322,266	114,339
	<b>10,386,808</b>	<b>11,385,757</b>	<b>6,288,288</b>	<b>10,088,971</b>	<b>10,670,667</b>	<b>6,284,957</b>

## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

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#### 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. Purchases were made at market price and there was no discount on all purchases.

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

Dangote Industries Limited (DIL) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and royalty taking into cognizance certain principles.

Royalty payment shall be made in addition to management fees payable from 1 January 2015 at the rate of 0.5% of the total revenue.

#### 35.4 Loans to and from related parties

There are no related party loans as at 31 March 2022

#### 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 Mr. Olakunle Alake	Board Member (Director)
4 Mr. Uzoma Nwankwo	Board Member (Director)
5 Ms. Bennedikter Molokwu	Board Member (Director)
6 Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
7 Alh. Abdu Dantata	Board Member (Director)
8 Ms. Maryam Bashir	Board Member (Director)

##### List of key management staff

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



## Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

### Notes to the Consolidated and Separate Financial Statements

#### 35 Related parties (Cont'd)

##### 35.6 Compensation to key management staff

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
Short-term employee benefits	-	452,330	-	-	452,330	-
	<u>-</u>	<u>452,330</u>	<u>-</u>	<u>-</u>	<u>452,330</u>	<u>-</u>

#### 36 Employee costs

The following items are included within employee benefits expenses:

	GROUP 31/3/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/3/2021 N'000	COMPANY 31/3/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/3/2021 N'000
<b>Direct employee costs</b>						
Basic	483,918	2,791,767	636,349	483,918	2,791,767	636,349
Medical claims	51,754	24,268	-	51,754	24,268	-
Leave allowance	58,828	235,048	56,855	58,828	235,048	56,855
Short term benefits	831,771	1,781,206	357,592	831,771	1,237,557	357,593
Other short term costs	133,324	275,097	6,918	133,324	818,746	6,918
Pension	65,041	255,398	61,727	65,041	255,398	61,727
Termination benefits	-	-	-	-	-	-
	<u>1,624,636</u>	<u>5,362,783</u>	<u>1,119,441</u>	<u>1,624,636</u>	<u>5,362,783</u>	<u>1,119,441</u>

	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000	31/3/2022 N'000	31/12/2021 N'000	31/3/2021 N'000
<b>Indirect employee costs</b>						
Basic	264,288	964,755	228,451	264,288	962,694	228,451
Medical claims and allowance	7,332	10,042	2,496	5,239	10,042	2,496
NSITF and ITF levies	20,142	104,290	18,531	20,142	104,290	18,531
Short term benefits	394,972	1,874,293	423,039	438,947	1,742,607	438,683
Other short term costs	270,404	596,908	167,168	228,522	621,611	124,350
Pension	36,294	30,904	7,180	36,294	139,947	34,355
Termination benefits	-	-	838	-	-	838
	<u>993,432</u>	<u>3,581,191</u>	<u>847,704</u>	<u>993,432</u>	<u>3,581,191</u>	<u>847,704</u>

##### Total employee costs

Direct employee cost	1,624,636	5,362,783	1,119,441	1,624,636	5,362,783	1,119,441
Indirect employee cost	993,432	3,581,191	847,704	993,432	3,581,191	847,704
	<u>2,618,068</u>	<u>8,943,974</u>	<u>1,967,145</u>	<u>2,618,068</u>	<u>8,943,974</u>	<u>1,967,145</u>

Average number of persons employed during the year was:

	31/3/2022 Number	31/12/2021 Number	31/3/2021 Number	31/3/2022 Number	31/12/2021 Number	31/3/2021 Number
Management	129	129	122	113	115	108
Senior Staff	583	585	555	568	570	532
Junior Staff	2,200	2,116	2,181	2,188	2,104	2,179
	<u>2,912</u>	<u>2,830</u>	<u>2,858</u>	<u>2,869</u>	<u>2,789</u>	<u>2,819</u>

**Dangote Sugar Refinery Plc**

Consolidated and Separate Financial Statements for the Period Ended March 31, 2022

**Notes to the Consolidated and Separate Financial Statements****37 Free Float Computation**

Company Name: Dangote Sugar Refinery Plc  
 Board Listed: Main Board  
 Year End: December  
 Reporting Period: Period Ended 31 March 2022(C  
 Share Price at end of reporting period: N16.00 (2021:N17.00)

**Shareholding structure/Free Float Status**

Description	31-Mar-22		31-Mar-21	
	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%
<b>Total Substantial Shareholdings</b>	<b>8,775,541,295</b>	<b>72.25%</b>	<b>8,775,541,295</b>	<b>72.25%</b>

**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%
Dr. Konyinsola Ajayi (SAN)	-	-	-	-
Ms. Maryam Bashir	-	-	-	-
Mr. Ravindra Singhvi	-	-	-	-
<b>Total Directors' Shareholdings</b>	<b>10,106,492</b>	<b>0.08%</b>	<b>10,106,492</b>	<b>0.08%</b>

**Free Float in Units and Percentage** **3,361,230,454** **27.67%** **3,361,230,454** **27.67%**

**Free Float in Value (N)** **53,779,687,264.00** **57,140,917,718.00**

**Declaration:**

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed

(B) Dangote Sugar Refinery Plc with a free float value of N57,140,917,718.00 as at 31 March 2021, is compliant with The Exchange's free float requirements for companies

**38 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.