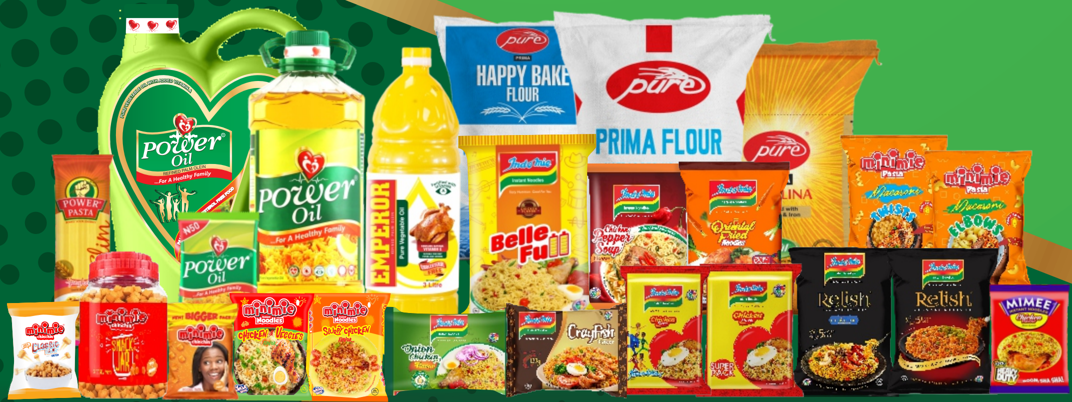
Dufil

CELEBRATING 25 YEARS OF MAKING LIFE TASTE BETTER



DUFIL PRIMA FOODS PLC

Consolidated Annual Report 2021

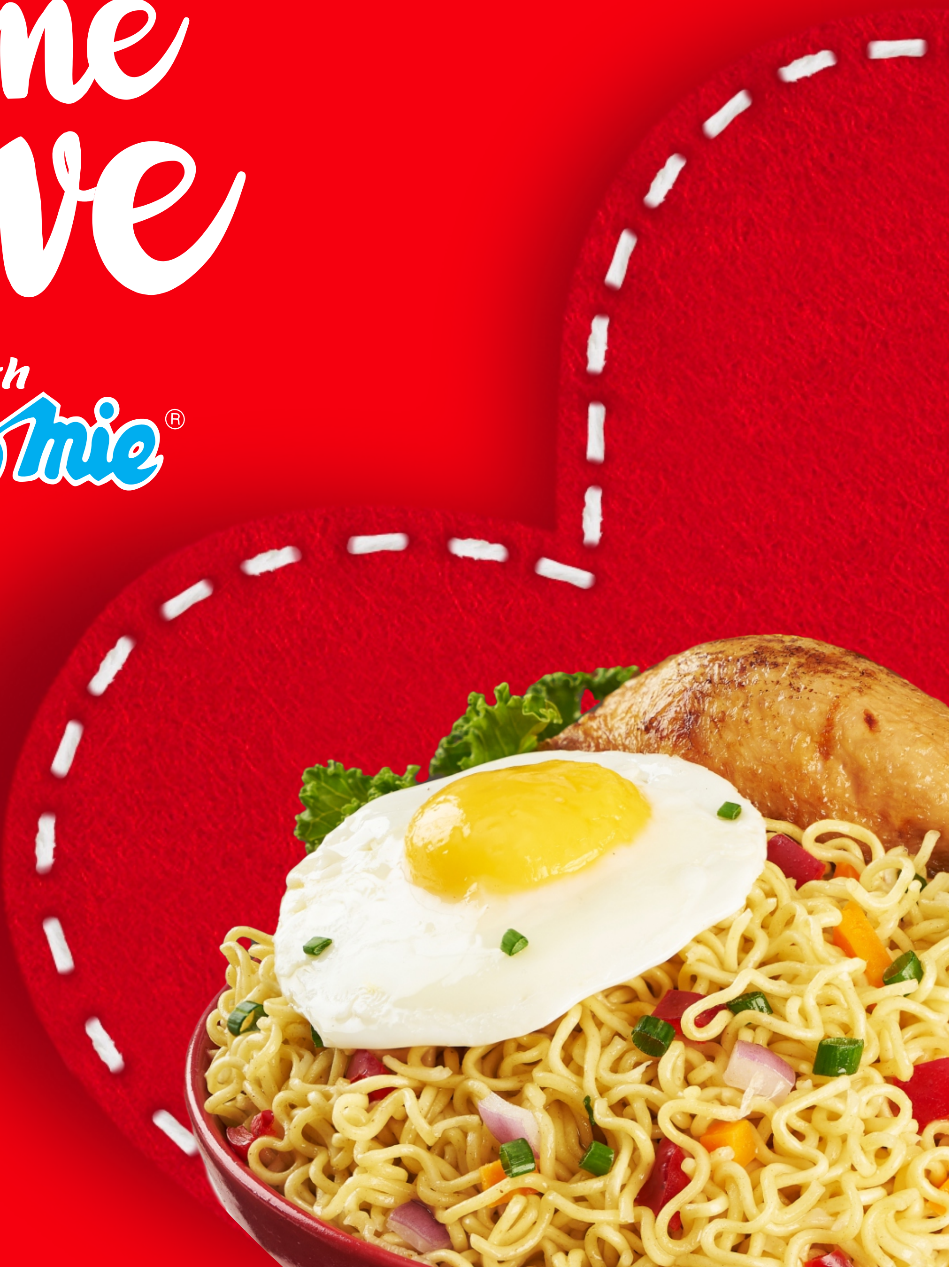
Indomie®

Instant Noodles

Tasty Nutrition. Good For You.

Show some Love

with Indomie®



DUFIL PRIMA FOODS PLC

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 13th Annual General Meeting ("AGM") of **Dufil Prima Foods Plc ("the Company")** will be held at 44, Jimoh Odutola Street, off Eric Moore Road, Surulere Lagos at 11a.m. on Tuesday, 10th May 2022, to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st December 2021 and the Reports of the Auditors and the Audit Committee thereon.
2. To declare the remuneration of Managers of the Company
3. To declare a final dividend
4. To re-appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect members of the Audit Committee.

SPECIAL BUSINESS

1. To consider and if thought fit, pass an ordinary resolution with regards the period for the completion of the issuance of a Naira-denominated bond or other debt issuance programme to refinance the existing financing borrowing of the Company and its subsidiary companies whose Financial Statements are consolidated with the Financial Statements of the Company ("Group"), by further extending for one year or till the next Annual General Meeting of the Company, whichever is later, subject to certain conditions to be met and approved by the board of directors of the Company.

2. To consider and if thought fit, pass an ordinary resolution granting a higher limit of the borrowing powers of the Directors in respect of monies borrowed by the Company and its subsidiary companies whose Financial Statements are consolidated with the Financial Statements of the Company ("Group") up to 5 times of the total equity of the Group, for a further period of one year or till the next Annual General Meeting of the Company, whichever is later.

NOTES

i) **PROXY**
A Member of the Company entitled to attend and vote at the AGM who is unable to attend the AGM and wishes to be represented at the AGM is entitled to appoint a PROXY to attend and vote instead of him/her. A PROXY need not be a Member of the Company. A Form of Proxy is attached to this Notice and if it is to be valid for the purpose of the AGM, must be completed and deposited with the Company Secretaries, **Nnenna Ejekam Associates, 70A Itafaji Road, Off Corporation Drive, Dolphin Estate, Ikoyi, Lagos** not less than 48 hours before the time of the meeting.

ii) **DIVIDEND WARRANTS AND CLOSURE OF REGISTER**
If the Dividend recommended by the Directors is approved at the AGM, those Members whose names appear in the Register of Members at the close of business on Friday 29th April 2022, shall have dividend warrants posted to them directly on Wednesday, 11th May 2022. Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Monday, 2nd May 2022 to Friday, 6th May 2022 (both days inclusive), to enable the preparation and payment of dividend.

iii) **NOMINATIONS FOR THE AUDIT COMMITTEE**

The Audit Committee consists of 3 Directors and 3 representatives of Shareholders of the Company. In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, any Member of the Company may nominate a Shareholder for election as a member of the Audit Committee, by giving Notice in writing of such nomination to the Company Secretary at least 21 days before the AGM.

SPECIAL NOTES

Please note that in accordance with Article 61 of the Articles of Association of the Company, the quorum for the AGM is eleven persons present in person or by proxy.

Despite the proposed relaxation of the Covid-19 Regulations issued by the Nigerian Centre for Disease Control and the directives of the Lagos State Government, the Company remains very concerned about the safety and health of all attendees at the AGM. Therefore not more than 40 persons in total shall be admitted to the venue of the AGM. All other applicable Covid-19 protocols, regulations and specifications shall be strictly enforced by the Company.

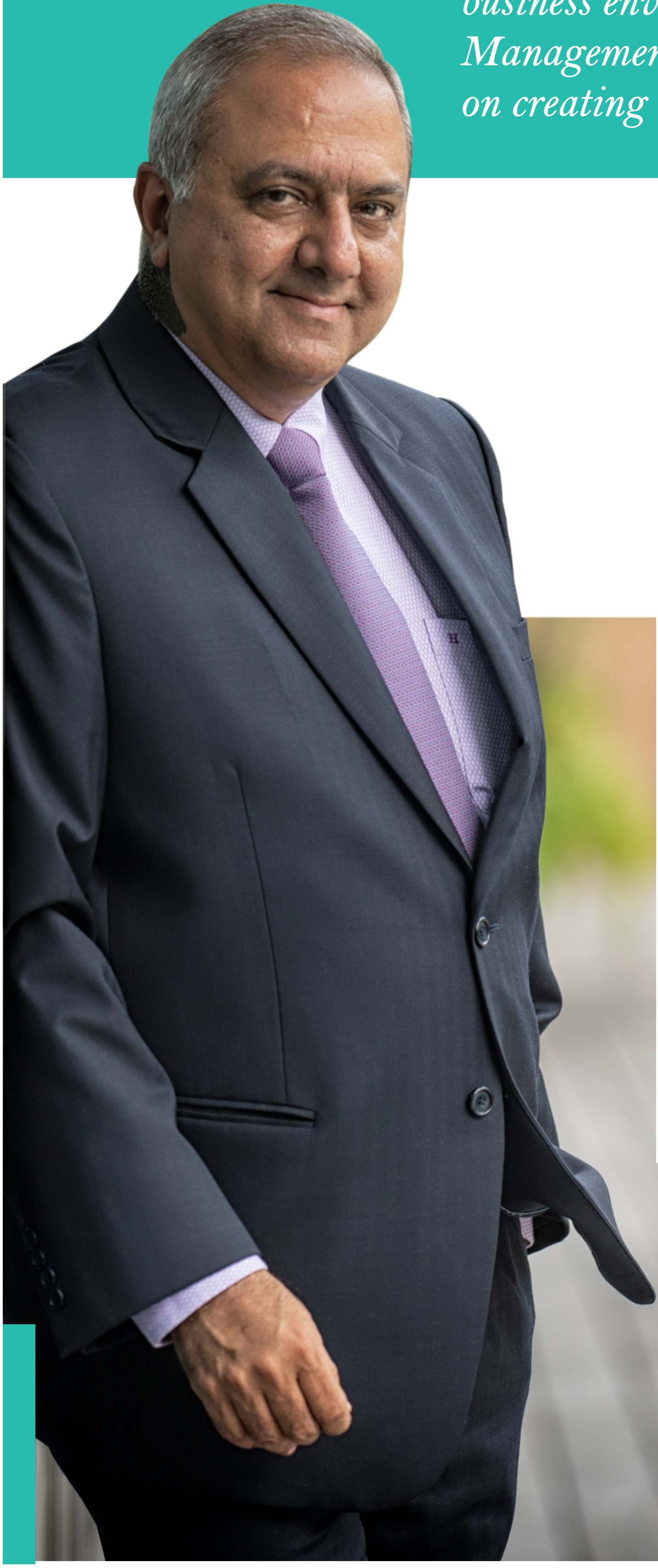
DATED THE 24th DAY OF MARCH 2022.

BY ORDER OF THE BOARD

NNENNA EJEKAM ASSOCIATES
COMPANY SECRETARIES
FRC/2014/NBA/00000007230
70A Itafaji Road, off Corporation Drive,
Dolphin Estate, Ikoyi, Lagos.

NNENNA EJEKAM ASSOCIATES
COMPANY SECRETARIES

…notwithstanding the extremely volatile business environment, the Board and Executive Management of the Company remained focused on creating value for shareholders



Distinguished Shareholders, Representatives of Regulatory Agencies present, my fellow colleagues, esteemed Ladies and Gentlemen. On behalf of the Board of Directors of Dufil Prima Foods Plc ("Our Company"), it is with great pleasure that I welcome you, to the 13th Annual General Meeting of Our Company. It is my privilege to present to you the Chairman's Statement and our Annual Report and Accounts for the year ended 31st December 2021 ("the Financial Year").

As is customary, I shall start by highlighting the foremost issues in the Nigerian business environment that impacted on our Company's performance and turnover in the Financial Year.

2021 BUSINESS/OPERATING ENVIRONMENT

The operating environment was difficult. Inflation remained relatively stable in the earlier part of the year. Interest rates on local currency borrowings were high.

In February 2021, the National Bureau of Statistics (NBS) announced that the Nigerian economy came out of its worst recession in more than 33 years. Nigeria's GDP which grew marginally by 0.51% in the first quarter of 2021 maintained the positive trajectory by growing quarter on quarter by 5.01%, 4.03% and 3.98% in Q2, Q3 and Q4 respectively. This growth was greatly facilitated by the easing of COVID-19 restrictions and higher oil prices as the global economy continued to rally following the crippling effect of the Covid-19 pandemic.

Reported backlogs in foreign currency settlement on the interbank auction system resulted in a widening disparity between the official exchange rate and the rates obtaining in the marketplace (Autonomous market), spurred divergent multiple exchange rates and pricing mechanisms in the business environment.

HARKISHIN ASWANI, MFR

Chairman

The average inflation for 2021 was 16.98% compared with 13.21% in 2020 and the average food inflation was 20.5% compared 16.11% in 2020.

During the year, Nigeria received $3.35bn from IMF under the Special Drawing Rights (SDR). Also, during Q3 2021, Nigeria raised $4bn through the Eurobond issuance. These funding pushed the forex reserves to over $40bn at the end of 2021 from around $35bn at the end of 2020.

With regards to inflows from FDI and FPI, which plays an important role in bringing liquidity in I&E market, there has been an increasing trend on inflows on a quarter on quarter basis (from Q1 21 to Q4 21), increasing from $420 mn in Q1 21 to $1.36bn in Q4 21. However, the total inflow from FDI and FPI in 2021 was $3.18bn which is lower than the inflows of 4.36bn in 2020.

RESULTS AT A GLANCE

Our Company has shown incredible resilience and agility in the Financial Year. Our performance for the Financial Year has been nothing but laudable amidst the extremely challenging business and economic climes. I am elated to inform you that, notwithstanding the extremely volatile business environment, the Board and Executive Management of the Company remained focused on creating value for shareholders. It is therefore pleasing to report that it has been a good year in terms of both financial and operational performance.

In spite of the challenging operating environment, weak consumer sentiment occasioned by rising inflation and the cash crunch, I am happy to report that your Company recorded improved performance with turnover of N306.8 billion representing 36.17% over the last Financial Year.

The results show a commendable performance and a testament to the dogged commitment to meeting consumer demands. The Board and Management of the Company remain steadfast in the implementation of business strategies that shall continue to ensure profitable growth, as well as continued engagement with stakeholders across the Value chain. We remain focused on having a positive impact on those around us and our customers.

BUSINESS PERFORMANCE AND EXPANSION

Our Company has successfully installed and commissioned the first phase of the state-of-the-art Cassava Flour Processing Plant in Ovia Northeast Local Government Area, Edo State. The commercial production of Cassava Flour commenced in July 2021. In a step towards harnessing the potential of Nigeria's Cassava production, Dufil has already started work to triple the production capacity expansion of the facility to 150MT per day. This step will not only reduce our dependency on Wheat imports but also strengthen the commodity value chain and make Cassava farming attractive for small holder farmers and encourage them to scale up the Cassava production. This in turn will lead to improved domestic food security and ensure sustainable economic growth.

Our Company plans to introduce Cassava flour-based snack products to its product portfolio, thus changing the trend of Cassava Flour being used primarily as a Federal Government enforced addition to the Bread Flour.

Our Company shall continue to seek out businesses to ensure and support sustainable growth. We shall continue to streamline our decision-making and foster profitable collaboration whilst at the same time reducing overheads.

FINANCING

As mentioned earlier, the year was characterized by significant global and domestic economic developments with far-reaching implications for the Nigerian Economy.

As a resilient brand, however, we were able to leverage the innate opportunities within the environment and record a performance that further attests to the Group's sound financial health. In the Financial Year under review, The Company raised ~N20bn by issuing Commercial Paper in the month of March 2021.

The Company also raised ~N30bn under CBN's RSSF - DCRR facility (Real Sector Support Facility – Differentiated Cash Reserve Requirement) and additional N1.5bn from Nexim Bank at single digit interest.

DIVIDEND

My fellow Shareholders, the Board is pleased to recommend for your approval at this AGM, a dividend of 0.486kobo per ordinary share of 50 kobo amounting to N3.28billion for the year 2021. If approved, the dividend per share would be subject to the deduction of withholding tax.

ACCOLADES

In 2021, our Company performed excellently. It gives me great pleasure to inform you that your Company was a beneficiary of the following awards:

- Dufil Prima was awarded the Outstanding FCMG Corporate Brand of the decade at the 2021 edition of the Marketing Edge Awards

- Indomie Noodles received the Leadership Brand award for the year 2020.

- Dufil Prima carted away four prestigious awards in four different categories at the 2021 Annual ADVAN Awards.

  - ✔ Indomie Brand won "CSR CAMPAIGN OF THE YEAR" (Indomie Fan Club Team Your Self Up)
  - ✔ Indomie Brand won the **"CONSUMER PROMO OF THE YEAR"** (Indomie Rep Your Team)
  - ✔ Minimie Chin-Chin clinched the **"PEOPLE'S CONSUMER CHOICE BRAND OF THE YEAR"**
  - ✔ Indomie came first runner up in the **"LEGACY BRAND OF THE YEAR"**

Dufil Prima Foods Plc Winner Outstanding Corporate Brand of The Decade at the 2021 edition of the Marketing Edge Awards

Mr. Temitope Ashiwaju, the Group's Public Relations Manager was awarded the Outstanding PR Personality of the Decade at the 8th Edition of the Marketing Edge Awards.

CORPORATE SOCIAL RESPONSIBILITY
Dufil Prima Foods Plc remains committed to integrating corporate social responsibility into its business strategy. Your Company continued to make social investment by giving back to the society. We remain committed to making meaningful socio-economic contributions to the Nigerian Child through the CSR activities undertaken in the year namely:

- The global COVID-19 pandemic continued throughout the year and is ongoing, Tolaram Group continued to show its support to the Federal Government CA-COVID initiative by donating the sum of N500million.
- The 13th Edition of the Indomie Independence Day Awards (IIDA) was held on the 12th day of October 2021, at the Federal Palace Hotel, Lagos. In its usual manner, your Company recognized and awarded three young heroes with the sum of One Million Naira Each for their bravery in the respective categories.
- Indomie Instant Noodles showcased and rewarded winners of the Indomie Fan Club (IFC), 'Team Yourself Up' Competition Season 6 for their show of ingenuity.

TRAINING AND DEVELOPMENT
Our Company sustained its excellent record in business performance through consistent employee development and training. Our valued employees consistently promote organizational culture, corporate core values and social responsibility objectives.

For these reasons, the Company continues to promote training programs across all cadres of the Company. Talent development and Succession planning continues to be a core focus for the business.

In the Financial Year, various internal and external training programs were conducted to empower and improve employee's skills. In all, over 2,755 employees received both internal virtual training as well as physical courses and conferences. Industrial safety, leadership development, technical dexterity, emotional intelligence, and family/ work-life balance were given priority. Furthermore, various Human Resource functions were incorporated into the newly built SAP system to enhance employee's self -services and fast track HR activities.

25TH ANNIVERSARY OF DUFIL PRIMA FOODS PLC
2021 was also a significant year for Dufil. It was a year in which the Company celebrated 25 passionate years of making 'Life Taste Better' for people all over the Country. As one of the leading FMCG Companies in Nigeria, our business has evolved and become intrinsically linked to the livelihoods of millions of Nigerian families who trust us for delicious, healthy, and nutritious foods that offer value for money. Staying true to our purpose of 'Making Life Taste Better', your Company will continue to adopt the latest technology and best practices; to ensure that our consumers continue to get the highest quality of products which they love and trust.

As we celebrate our twenty-fifth year in business, all of us at Dufil Prima Foods Plc would like to express our sincere appreciation to you, our customers, for your loyal support through the years. We say thank you for these 25 great years, as we look forward to continuing on this beautiful journey together.

CONCLUSION
My dear Shareholders, we will remain as optimistic and resilient as ever. Determined to take future challenges that may arise head-on. On behalf of the Board, Management and other employees, I thank you, our esteemed Shareholders for your support and encouragement during the year 2021. We look forward to your continuing support so that, together, we can continue to keep our Company at the apex.

My profound appreciation also goes to the Management and Staff of the Company, as they have shown great competence in ensuring the continued going concern status of our great Company. They have undoubtedly lived up to the Company's core values despite the challenging times. Their unrelenting commitment and dedication to the achievement of the Company's goals is responsible for this performance. This commitment and resilience gives me the confidence to optimistically look forward to yet another successful year.

Finally, to every other stakeholder that contributed in one way or another to our operations in the Financial Year, we deeply appreciate your efforts. To our distributors, transporters, consumers, suppliers, professional advisers, the Government and its agencies and our host communities, we say a big Thank You!

Above all, we give glory to God for all achievements recorded in the Financial Year.

Thank you and God bless us all.

HARKISHIN ASWANI, MFR
Chairman

MR. HARKISHIN ASWANI

Chairman (Singaporean)

Mr. Harkishin Aswani joined as Director of Dufil Prima Foods Plc in March 2002 and was appointed as the chairman of Board of Directors in July 2008. With almost three decades of experience in Nigeria, Mr. Aswani currently heads the Tolaram Group in Africa and is spearheading the group's venture on infrastructure development in the country. He is a Graduate in Marketing from the University of Houston, USA. He is also the Honorary Consul- General of Singapore in Nigeria for the past 12 years. For his passion in the socio-economic development of Nigeria, he has received many prestigious awards, including the Chieftaincy title in Nigeria "Baagbile Korede of Ota by the Olota of Ota" and the National Honour of MFR (Member of the Order of Federal Republic of Nigeria). He is also an ardent lover and collector of West African arts.

MR. ADHI SURYANA NARTO

Chief Executive Officer (Indonesian)

Mr. Adhi Suryana Narto joined Dufil Prima Foods Plc as the project manager in 2001 and later became the Factory Manager. As the company expanded its capacity, he was appointed as the Head of Manufacturing in 2005 and later on became the Chief Operating Officer of the company in 2007 and elevated to the Board of Directors in July 2008. He holds a Bachelor's Degree in Civil Engineering and a Master's Degree in Industrial Management from Bandung Institute of Technology, Indonesia.

CHIEF (DR.) JOSEPH O. SANUSI (CON)

Non-Executive Director (Nigerian)

Chief (Dr.) Joseph O. Sanusi was appointed as Director of Dufil Prima Foods Plc in July 2010. He joined the Central Bank of Nigeria (CBN) in 1966 as a Deputy Manager. He attended South-West London College and Kingston College of Technology, England from 1962 to 1965 and also qualified as a Chartered Accountant in England. In 1969, he became a member of the Institute of Chartered Accountants of Nigeria (ICAN) and became a fellow of the Nigerian Institute of Bankers in 1987. He became a Departmental Director in 1977, Chief Executive of the Securities and Exchange Commission (1978-1979), Executive Director, Monetary and Banking Policy (1979-1984), and Deputy Governor (1988-1990). He then became the Managing Director and Chief Executive of United Bank for Africa (1990-1992) and the Managing Director and Chief Executive of First Bank of Nigeria (1992-1998). He served as the Governor of the Central Bank of Nigeria (1999-2004). He was awarded Banker Extra Ordinary by the University of Ibadan, Man of Achievement by the Corporate Press Services Ltd., and Doctor of Science - Honoris Causa by the Federal Universities of Technology, Akure and Yola.

MR. DEEPAK SINGHAL

Non-Executive Director (Indian)

Mr. Deepak Singhal joined Dufil Prima Foods in July 2006 as the Chief Executive Officer of the company. He was then elevated to the Board of Directors in July 2008. He is a graduate from Kolkata University and is an Associate member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Before joining the Dufil Prima Foods Plc, he was the COO of Tolaram Nigeria. Prior to that, he worked with Unilever India for 2 years.

MR. AXTON SALIM

Non-Executive Director (Indonesian)

Mr. Axton Salim was appointed to the Board in 2006. He has worked for Salim Group of companies for 13 years. Currently, Mr. Salim holds positions as Commissioner and Director in various companies, including PT Indofood Sukses Makmur Tbk. & PT Indofood CBP Sukses Makmur Tbk. (both listed on the Indonesia Stock Exchange).He also has positions in Indofood Agri Resources Ltd. & Gallant Venture Ltd. (both listed on the Singapore Stock Exchange). Mr. Salim received a Bachelor of Science in Business Administration from the University of Colorado, the USA in 2002.

MR. KASIM RUSMIN

Non-Executive Director (Indonesian)

Mr. Kasim Rusmin was appointed to the Board of Directors in 2013. He has worked for Salim Group of Companies since 2009. Mr. Kasim was Director and Head of Corporate Finance of PT DBS Vickers Securities Indonesia from 2005 to 2009 and was Director and Head of Corporate Finance of PT ING Securities Indonesia until 2004. Mr. Kasim holds a Master's degree in Business Administration from the University of Portland in Oregon, United State of America and a Bachelor's degree in Finance from the Oregon State University in Oregon, United State of America.

MR. AMIT BANATI

Non-Executive Director (Indian)

Mr. Amit Banati was appointed to the Board on 17 May 2018 in place of Mr. Sajen Aswani. He has been President, Asia Pacific, Kellogg Company, since March 2012. He is also a member of the company's Global Leadership Team. Prior to joining Kellogg Company, Mr. Banati served in a variety of board and leadership roles at Kraft Foods, Cadbury Schweppes and Procter & Gamble. He has worked extensively across the Asia Pacific region, particularly in Australia, India, China, Japan, Korea, Taiwan, Hong Kong, and Singapore. He is a member of the governing council of Food Industry Asia (FIA) and has served as president of FIA from 2014 to 2016. He is a member of the Young Presidents' Organisation (YPO) Singapore. He serves on the boards of Kellogg-Wilmar Joint Venture in China and Kellogg-Tolaram Joint Venture in Nigeria. He received a bachelor's degree in commerce from Calcutta University and a Masters of Business Administration degree from the Indian Institute of Management in Lucknow.

CHIEF (MRS.) NNENNA EJEKAM

Company Secretary (Nigerian)

Chief (Mrs.) Nnenna Ejekam is the Principal Partner of Nnenna Ejekam Associates ("NEA"). NEA has served as Company Secretaries/External Solicitors to Dufil Prima Foods Plc since incorporation. NEA incorporated Dufil Prima Foods Plc and Mrs. Ejekam served as one of the Pioneer Trustee Shareholders and Directors of the Company at incorporation. She has a Master's Degree from the University of London specializing in Corporate and Commercial Law. She is also a Notary Public and a member of the Chartered Institute of Arbitration, UK. Chief (Mrs.) Nnenna Ejekam has vast experience in the areas of Corporate/Commercial Law, Corporate Governance, Joint Ventures, Investment Law, Finance, Capital Markets, Oil and Gas and Infrastructure Projects, Real Estate and Insolvency matters. She also has over 30 years' experience in advising World Bank-affiliated and other international financial institutions based in America, Europe, and Africa with respect to their Loan and Equity Investments in Nigeria. Chief (Mrs.) Nnenna Ejekam was called to the Nigerian Bar in 1980.

DUFIL PRIMA FOODS PLC

COMPANY REGISTRATION NO. RC. 438802

DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS:	Harkishin Aswani	Singaporean	Chairman
	Adhi Suryana Narto	Indonesian	Chief Executive Officer
	Deepak Singhal	Indian	Non-Executive Director
	Chief (Dr.) J. Sanusi	Nigerian	Non-Executive Director
	Axton Salim	Indonesian	Non-Executive Director
	Rusmin Kasim	Indonesian	Non-Executive Director
	Amit Banati	Indian	Non-Executive Director

SECRETARIES AND SOLICITORS:
Nnenna Ejekam Associates
Company Secretaries
70A Itafaji Road, off Corporation Drive,
Dolphin Estate, Ikoyi, Lagos

REGISTERED OFFICE:
44, Jimoh Odutola Street, Off Eric Moore Road
Surulere, Lagos, Nigeria

FACTORY:
68B Uniport Road, Choba Port Harcourt
Rivers State, Nigeria

AUDITORS:
Deloitte & Touche
(Chartered Accountants)
Civic Towers
Plot GA1, Ozumba Mbadiwe Avenue, Victoria Island,
Lagos, Nigeria

PRINCIPAL BANKERS:
Access Bank Plc
Access Bank UK
Bank of Industry Limited
Citibank Nigeria Limited
Coronation Merchant Bank Limited
Development Bank of Singapore
Ecobank Nigeria Limited
FBN Merchant Bank Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Plc
FSDH Merchant Bank
Guaranty Trust Bank Plc
Rand Merchant Bank Limited
Standard Chartered Bank Nigeria Limited
Stanbic IBTC Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Zenith Bank Plc

DUFIL PRIMA FOODS PLC

CONSOLIDATED RESULTS AT A GLANCE

	2021 N'000	2020 N'000	% Increase / (Decrease)
Revenue	306,757,285	225,274,616	36.17
Profit before tax	15,307,609	6,721,496	127.74
Profit after tax	13,122,937	5,474,336	139.72
Share capital	3,376,667	3,376,667	-
Shareholder's fund	56,197,450	42,156,984	33.31

Per share data (Naira) :

Based on 6,753,333,334 ordinary shares of 50 kobo each

Earnings per share*	1.94	0.81
Net assets per share**	8.32	6.24
Dividend per share	0.49	-
Number of employees	1,609	1,619


Dufil®
Making Life Taste Better!
Power Oil
Refined Palm Olein
...For A Healthy Family
Emperor
Pure Vegetable Oil
3 Litre
Pure
Happy Bake Flour
Prima Flour
Indomie
Belle Full
Chicken Pepper Soup
Oriental Fried Noodles
Minimie Pasta Macaroni Twists
Minimie Pasta Macaroni Elbows
Power Pasta
Minimie Chinchin Classic
Minimie Chinchin Snack Jar
Minimie Noodles Chicken & Veggies
Minimie Noodles Sweet Chicken
Onion Chicken
CrayFish
Chicken Flavour
Super Pack
Relish
Mimee Instant Noodles Chicken Flavour

DUFIL PRIMA FOODS PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report together with the audited consolidated and separate financial statements for the year ended 31 December 2021.

1. LEGAL STATUS

The Company was incorporated in Nigeria as a private limited liability company on 19 December 2001 and commenced production on 2 January 2004. The Company was later re-registered as a public limited company on 25 July 2008. Consequently, the name of the Company was changed from Dufil Prima Foods Limited to Dufil Prima Foods Plc.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing and marketing of the Indomie, Minimie and Mimee brands of instant noodles.

3. RESULTS FOR THE YEAR

The following is a summary of the consolidated operating results:

	2021
	N'000
Revenue	306,757,285
Profit before tax	15,307,609
Profit after tax	13,122,937

4. DIVIDEND

The Directors recommend to the Shareholders, the payment of dividend of N 0.486 on the ordinary share of 50 kobo for the year ended 2021. The proposed dividend amounting to N 3.28 billion is payable subject to withholding tax at an appropriate rate at the time of payment. A resolution to this effect will be put to the meeting for the approval of the Shareholders.

5. DIRECTORS AND THEIR INTEREST

(a) The names of the current Directors are listed on page (i)

CHANGES ON THE BOARD OF DIRECTORS

There were no changes made on the Board of Directors of the Company.

(b) **Interest of Directors in shares:** None of the Directors has any direct interest in the share capital of the Company.

(c) **Director's interest in contracts:** The Company entered into a Sole Distributorship Agreement with Multipro Enterprises Limited dated 1 January 2006. The agreement has been assigned to Multipro Consumer Products Limited (MCPL) dated 24 July 2015. However, the transaction with MCPL commenced from 1 August, 2015. The Directors of Dufil Prima Foods Plc namely, Harkishin Aswani, Deepak Singhal and Amit Banati are also Directors of Multipro Consumer Products Limited. Also, Dufil Prima Foods Plc, De United Foods Industries Limited and Northern Noodles Limited entered into Trademark and Technical Know-How Agreements with PT Indofood Sukses Makmur TBK (Indofood). A Director of Dufil Prima Foods Plc, namely, Axton Salim is also a Director of Indofood. Therefore, the above mentioned Directors have an indirect interest in these contracts. These interests, in accordance with Section 303 (1) of the Companies and Allied Matters Act, 2020 (CAMA), and Articles 22 and 23 of the Memorandum and Articles of Association of the Company, were duly declared to the Board of Directors of the Company at all times material to the execution of these contracts.

6. SUBSTANTIAL SHAREHOLDERS

The following is the list of substantial shareholders' in the Company and its subsidiaries:

Company	**Shareholders Name**	**Shareholding %**
Dufil Prima Foods Plc	Tolaram Africa Foods Pte. Ltd.	48.993584
	Platinum Stream Profits Limited	48.993584
Subsidiary		
De United Foods Industries Limited	Dufil Prima Foods Plc	99.999997
Insignia Print Technology LFTZ Enterprise	Dufil Prima Foods Plc	99.999900
Northern Noodles Limited	Dufil Prima Foods Plc	99.999990
Pure Flour Mills Limited	Dufil Prima Foods Plc	99.999990
Raffles Oil LFTZ Enterprise	Dufil Prima Foods Plc	99.999990
De United Foods Industries Ghana Limited*	Dufil Prima Foods Plc	100.000000
Enriched Pte. Ltd*	Dufil Prima Foods Plc	100.000000
Infinity FZCO*	Dufil Prima Foods Plc	100.000000

*De United Foods Industries Ghana Limited, Enriched Pte. Ltd and Infinity FZCO are foreign subsidiaries.

7. RECORD OF DIRECTOR'S ATTENDANCE

The Register of Directors' attendance at Board Meetings during the year under review is available for inspection at the Annual General Meeting in accordance with Section 284(2) of CAMA.

8. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the period are shown in Note 17. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statement.

9. TAXATION

The Company and its subsidiaries De United Foods Industries Limited (Noodle Division and Seasoning Division), Northern Noodles Limited, Pure Flour Mills Limited are subject to Minimum Tax at the rate of **0.5%** of Gross Turnover.
De United Foods Industries Ghana Limited is also subject to Company Income Tax and the Income Tax payable is provided on taxable profit at the current statutory rate. Insignia Print Technology LFTZ Enterprise and Raffles Oil LFTZ Enterprise are not liable to Income Tax by virtue of Section 8 of Nigeria Export Processing Zones (NEPZ) Act, Cap N107, Laws of the Federation of Nigeria (LFN), 2011.

10. TRADEMARK LICENCE AND ROYALTY AGREEMENT

The Company, De United Foods Industries Limited and Northern Noodles Limited have a combined Trademark and Technical Know-How Agreement ("The Agreement") with PT Indofood Suskes Makmur TBK (Indofood), a Company incorporated and existing under the laws of the Republic of Indonesia.

This Agreement provides among other things, that Indofood shall grant to the Companies an exclusive non-transferable right and license to use, manufacture, sell, distribute, advertise and promote Indomie instant noodles defined as "The product" in the Federal Republic of Nigeria using Trademarks owned by Indofood. The Agreement further provides that Indofood shall provide to the Company prompt, proper, suitable, and sufficient technical services which may from time to time include know-how services to support the manufacturing, packaging, distribution and process of instant noodles at the Companies factories. The Company, De United Foods Industries Limited and Northern Noodles Limited is legally obligated to pay royalty from the net sales of Indomie instant noodles. In accordance with the Nigerian law, this agreement has been duly approved by and registered with National Office of Technology Acquisition and Promotion (NOTAP).

11. POST-BALANCE SHEET EVENTS

There are no significant developments since the year-end, which could materially affect the financial statements.

12. DISTRIBUTION OF COMPANY'S PRODUCTS

The Company has entered into Sole Distributorship Agreement for all the flavors of food products manufactured under the brand name Indomie, Minimie, Mimee, Power Pasta, Emperor Oil and Power Oil with Multipro Enterprises Limited. The agreement later has been assigned to Multipro Consumer Products Limited (MCPL) dated 24 July 2015. However, the transaction with MCPL commenced from 1 August, 2015.

13. MAJOR SUPPLIERS

The Company and its subsidiaries procure its raw materials from both overseas and local suppliers. The principal overseas supplier is PT Indofood CBP Sukses Makmur TBK which is an associate company.

The other major overseas suppliers are Cargill International S.A., Bunge S.A., FGV Iffco Trading SDN BHD, Louis Dreyfus Company Asia PTE Ltd, Louis Dreyfus Company Suisse S.A. (Grain Div), Seaboard Overseas Limited, COFCO Resources SA, TPAC Packaging India PVT. LTD, Akij Biax Films Ltd, SRF Flexipak South Africa (PTY) Ltd, Itochu Plastics PTE Ltd (Singapore), PT. Sakata Inx Indonesia, Ajinomoto Foods Europe SAS, PT. Sumber INTI PANGAN.

The major local suppliers are Golden Sugar Company Limited, Tempo Paper Pulp & Packaging Limited, Hewang Packaging and Printing FZE, The Okomu Oil Palm Company Plc, Royal Salt Limited and Quantum Packaging Nigeria Limited, Flex Films, JOF Nigeria Limited and Freddy Hirsh Nigeria Limited. All the transactions are carried out at arm's length.

14. EMPLOYMENT AND EMPLOYEES

(a) Employment of Physically Challenged Persons:

It is the Company's Policy to promote diversity and offer everyone equal opportunities for employment. We provide employment opportunities to physically challenged persons and there is no discrimination bearing in mind the respective aptitude and abilities of the applicants concerned.

All employees whether physically challenged or not are given equal opportunities to develop their expertise and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues, and that appropriate training is arranged. It is also the policy of the Company that training, career development & promotion of physically challenged persons should as far as possible, be identical with those of other employees.

14. EMPLOYMENT AND EMPLOYEES

(b) Health & Safety at Work and Welfare of Employees:

The Company is committed to Health, Safety and Environment as core values of conducting business and invests its resources to ensure that hygiene on its premises is of the highest standard. Health, Safety & Environment regulations are in force within the Company premises and employees are continuously educated and sensitized on existing regulations. The Company provides healthcare benefits to employees and operates on-site clinic in the factory premises in all locations. The on-site clinics are managed by reputable hospitals providing primary healthcare round the clock for employees. In addition, specialist hospitals are retained by the Company to provide health care services to employees and their immediate families at Company expense. The Company also complies with Health, Safety and welfare matters as well as providing the training required to enable compliance by employees. This is in addition to organising a week long safety programme every year in all factories to get employees involved with matters of safety.

(c) Employee Involvement & Training:

The Company recognises that our people are our most valuable assets, and the collective commitment of our workforce has been instrumental to the improvement of our corporate performance. Our dedicated and diversified talents are equally spread through our management level, Six-sigma graduate, Traineeship Scheme and other non-Management cadre.

To enable this talent pool deliver on current challenges & position our business for the future, our people policies are fashioned to ensure that the knowledge & skills of staff are put to the best possible use, and we constantly endeavour to align our policies &processes to the very best standards in employment practices. We realize that our Company’s ability to sustain a competitive edge in the long term is largely dependent on the continuous improvement, training & empowerment of a pool of knowledgeable, experienced and motivated employees. Thus, we sustain a consistent policy of training our people both locally and abroad to enhance their skills and competence. We also maximized our virtual online learning to deliver on all planned sessions despite the restrictions on face- to-face sessions due to Covid-19 protocols.

15. AUDITORS

In accordance with Section 401(2) of CAMA, the auditors Messers Deloitte & Touche have indicated their willingness to continue in office. A resolution authorizing the Directors to determine their remuneration shall be proposed at the next Annual General Meeting.

16. AUDIT COMMITTEE

The Audit Committee was constituted in the 1st AGM of the Company in compliance with section 404(2) of the Companies and Allied Matters Act (CAMA). The following people were nominated and duly appointed members of the Committee during the year under review:

• Mr. Deepak Singhal	Representing the Board
• Mr. Rusmin Kasim	Representing the Board
• Mr. Adhi Suryana Narto	Representing the Board
• Mr. Abubakar Jose	Representing the Shareholders
• Mr. Andy Chendawan	Representing the Shareholders
• Mr. Sandeep Parasramka	Representing the Shareholders

DUFIL PRIMA FOODS PLC

REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31 DECEMBER 2021

16. AUDIT COMMITTEE (CONT'D)

The functions of the Audit Committee are as follows:

(a) Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
(b) Review the scope and planning of audit requirements;
(c) Review the findings on Management matters in conjunction with the external auditor and departmental responses thereon;
(d) Keep under review the effectiveness of the Company's system of accounting and internal control;
(e) Make recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company; and
(f) Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the committee.

The Audit Committee held its meeting on Thursday, 24th March, 2022.

BY ORDER OF THE BOARD

NNENNA EJEKAM ASSOCIATES
COMPANY SECRETARIES
FRC/2014/NBA/00000007230

70A, Itafaji Road, Dolphin Estate Ikoyi, Lagos
Dated this 24th day of March 2022

DUFIL PRIMA FOODS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of Dufil Prima Foods Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

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

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

Adhi Suryana Narto	**Deepak Singhal**
Director/Chief Executive Officer	**Director**
FRC/2014/IODN/00000007229	**FRC/2014/IODN/00000007233**

DUFIL PRIMA FOODS PLC

CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

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

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company, particularly during the period in which the audited financial statement report is being prepared,

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

(iii) certifies that the company's internal controls are effective as of that date;

We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and

(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the year ended 31 December 2021 were approved by the directors on 24th March, 2022.

Signed on its behalf by:

Adhi Suryana Narto	**Narayan Agarwal**
Director	**Chief Financial Officer**
FRC/2014/IODN/00000007229	**FRC/2020/001/00000020637**

Deloitte.

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Independent Auditor's Report

To the Shareholders of Dufil Prima Foods Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dufil Prima Foods Plc and its subsidiaries (the Group and Company) set out on pages 5 to 61 which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dufil Prima Foods Plc Limited as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Audit Committee's Report, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Deloitte.

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

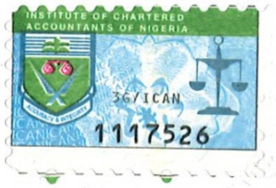
Report on Other Legal and Regulatory Requirements
In accordance with the Companies and Allied Matters Act we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Folorunso Hunga, FCA - FRC/2013/ICAN/00000001709
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 **March 2022**



DUFIL PRIMA FOODS PLC

REPORT OF THE AUDIT COMMITTEE
TO THE MEMBERS OF DUFIL PRIMA FOODS PLC

In Compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, the Audit Committee has examined the Auditor's Report for the year ended 31 December 2021 together with Management Letter from the external auditors and management response. In our opinion, we the members of the Audit Committee, state as follows:

1. That the Auditor's Report is consistent with our review of the scope and planning of the Audit requirements.

2. Acknowledged that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

3. That having reviewed the External Auditor's findings and recommendations on Management matters, we are satisfied with management responses thereon.

Dated 24th March, 2022

____

Mr. Adhi Suryana Narto
FRC/2014/IODN/00000007229

Other Members of the Audit Committee

Mr. Deepak Singhal
Mr. Rusmin Kasim
Mr. Andy Chendawan
Mr. Sandeep Parasramka
Mr. Abubakar Jose

DUFIL PRIMA FOODS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	5	306,757,285	225,274,616	73,590,625	53,116,530
Cost of sales	7	(252,428,745)	(180,552,685)	(67,191,045)	(45,734,165)
Gross profit		**54,328,540**	**44,721,931**	**6,399,580**	**7,382,365**
Investment income	8	-	-	-	7,229,977
Marketing expenses	9	(17,516,628)	(12,818,590)	(4,507,465)	(3,287,767)
Administrative expenses	10	(9,790,962)	(8,443,381)	(2,450,815)	(2,624,119)
Operating profit		**27,020,951**	**23,459,960**	**(558,700)**	**8,700,456**
Other gains and losses	11	1,812,479	(6,096,649)	455,032	(543,439)
Finance expenses	12.1	(15,073,869)	(12,790,616)	(3,049,817)	(2,747,309)
Finance income	12.2	1,548,048	2,148,801	3,829,592	2,502,986
Profit before tax		**15,307,609**	**6,721,496**	**676,107**	**7,912,694**
Income tax expense	14	(2,184,672)	(1,247,160)	(573,835)	(599,342)
PROFIT FOR THE YEAR	13	**13,122,937**	**5,474,336**	**102,272**	**7,313,352**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement gains on defined benefit obligation	35.3	(79,050)	(2,829)	(27,183)	34,642
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	28.1	196,579	156,756	-	-
Other comprehensive (loss)/income, net of income tax		117,529	153,927	(27,183)	34,642
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,240,466**	**5,628,263**	**75,089**	**7,347,994**
Profit for the year attributable to:					
Owners of the Company		13,122,932	5,474,334	102,272	7,313,352
Non controlling interest	30	5	2	-	-
		13,122,937	**5,474,336**	**102,272**	**7,313,352**
Total comprehensive income for the year attributable to:					
Owners of the Company		13,240,461	5,628,261	75,089	7,347,994
Non controlling interest	30	5	2	-	-
		13,240,466	**5,628,263**	**75,089**	**7,347,994**
Basic earnings per share (N)	-	1.94	0.81	0.02	1.08

The accompanying notes on pages 9 to 61 and other disclosures from pages 62 to 65 form an integral part of these financial statements.

DUFIL PRIMA FOODS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Assets:					
Non current assets					
Property, plant and equipment	17	63,466,227	57,710,532	3,710,685	3,064,868
Investment in subsidiaries	18	-	-	5,441,942	5,441,942
Goodwill	19	608,910	608,910	-	-
Right-of-Use Assets	23	1,005,153	972,978	217,125	6,878
Other assets	22	-	5,983	-	-
Total non current assets		**65,080,290**	**59,298,403**	**9,369,752**	**8,513,688**
Current assets					
Inventories	24	82,858,491	52,353,476	2,767,410	1,746,329
Trade and other receivables	25	36,406,187	22,048,386	34,331,493	26,022,201
Other assets	22	24,130,545	22,471,205	9,060,956	51,421
Cash and cash equivalents	26	45,590,566	22,950,939	218,268	658,109
Total current assets		**188,985,789**	**119,824,006**	**46,378,127**	**28,478,060**
Total assets		**254,066,079**	**179,122,409**	**55,747,879**	**36,991,748**
Equity:					
Share capital	27	3,376,667	3,376,667	3,376,667	3,376,667
Other reserves	28	(649,610)	(846,189)	-	-
Shareholder's Loan		8,900,000	8,100,000	8,900,000	8,100,000
Retained earnings	29	44,570,360	31,526,478	2,891,483	2,816,394
Equity attributable to owners of the Company		56,197,417	42,156,956	15,168,150	14,293,061
Non controlling interest	30	33	28	-	-
Total equity		**56,197,450**	**42,156,984**	**15,168,150**	**14,293,061**
Liabilities:					
Non current liabilities					
Borrowings	31	43,619,629	36,369,825	7,182,464	10,000,000
Deferred income	32	9,654,362	4,697,287	2,177,319	-
Retirement benefit obligation	35.3	1,527,091	1,476,337	523,839	488,000
Lease liability	34	281,457	288,915	-	-
Deferred tax liabilities	15	1,185,531	954,527	719,166	619,664
Total non current liabilities		**56,268,070**	**43,786,891**	**10,602,788**	**11,107,664**
Current liabilities					
Trade and other payables	33	33,995,530	27,861,082	12,241,338	10,462,565
Borrowings	31	104,705,214	63,816,199	16,875,484	626,615
Deferred income	32	1,268,868	384,177	440,217	-
Lease liability	34	116,792	93,327	10,075	-
Current tax liabilities	14.3	1,514,155	1,023,749	409,827	501,843
Total current liabilities		**141,600,559**	**93,178,534**	**29,976,941**	**11,591,023**
Total liabilities		**197,868,629**	**136,965,425**	**40,579,729**	**22,698,687**
Total equity and liabilities		**254,066,079**	**179,122,409**	**55,747,879**	**36,991,748**

The financial statements were approved and authorised for issue by the Board of Directors on 24 March, 2022.
They were signed on its behalf by:

Adhi Suryana Narto	**Deepak Singhal**	**Narayan Agarwal**
Director/Chief Executive Officer	**Director**	**Chief Financial Officer**
FRC/2014/IODN/00000007229	**FRC/2014/IODN/00000007233**	**FRC/2020/001/00000020637**

The accompanying notes on pages 9 to 61 and other disclosures from pages 62 to 65 form an integral part of these financial statements.

DUFIL PRIMA FOODS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Share capital N'000	Other reserve N'000	Retained earnings N'000	Non controlling interest N'000	Total equity N'000
Balance at 1 January 2020	**3,376,667**	**(1,002,945)**	**33,281,040**	**26**	**35,654,788**
Profit for the year	-	-	5,474,334	2	5,474,336
Foreign fluctuation in recognising equity	-	156,756	-	-	156,756
Other comprehensive (loss)/income for the year, net of income tax	-	-	(2,829)	-	(2,829)
Total comprehensive income for the year	-	156,756	5,471,505	2	5,628,263
Payment of dividends	-	-	(7,226,067)	-	(7,226,067)
Balance at 31 December 2020	**3,376,667**	**(846,189)**	**31,526,478**	**28**	**34,056,984**
Profit for the year	-	-	13,122,932	5	13,122,937
Foreign fluctuation in recognising equity		196,579			196,579
Other comprehensive income/(loss) for the year, net of income tax	-		(79,050)	-	(79,050)
Total comprehensive income for the year	-	196,579	13,043,882	5	13,240,466
Payment of dividends	-	-	-	-	-
Balance at 31 December 2021	**3,376,667**	**(649,610)**	**44,570,360**	**33**	**47,297,450**

Company	Share capital N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2020	**3,376,667**	**2,694,467**	**6,071,134**
Profit for the year	-	7,313,352	7,313,352
Other comprehensive income for the year, net of income tax	-	34,642	34,642
Total comprehensive income for the year	-	7,347,994	7,347,994
Payment of dividends	-	(7,226,067)	(7,226,067)
Balance at 31 December 2020	**3,376,667**	**2,816,394**	**6,193,061**
Profit for the year	-	102,272	102,272
Other comprehensive loss for the year, net of income tax	-	(27,183)	(27,183)
Total comprehensive income for the year	-	75,089	75,089
Payment of dividends	-	-	-
Balance at 31 December 2021	**3,376,667**	**2,891,483**	**6,268,150**

DUFIL PRIMA FOODS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	N'000	N'000	N'000	N'000
Profit for the year	13	13,122,937	5,474,336	102,272	7,313,352
Adjustments for:					
Depreciation and amortization of property, plant and equipment	17	5,057,268	4,398,852	537,545	407,627
Finance cost recognised in profit or loss	12.1	13,947,942	11,950,771	2,989,660	2,747,309
Interest on government grant	12.1	1,125,927	839,845	60,157	-
Amortization of Right-of-Use Asset	23	367,435	303,135	56,024	13,754
Finance income recognised in profit or loss	12.2	(1,533,285)	(2,137,837)	(3,826,875)	(2,499,877)
Loss/(gain) on disposal of property, plant and equipment	11	47,777	(13,132)	35,990	-
Investment income	8	-	-	-	(7,229,977)
Exchange difference on translating foreign operation	28.1	196,579	156,756	-	-
Remeasurement of defined benefit obligation	29	(79,050)	(2,829)	(27,183)	34,642
Operating cash flows before movements in working capital		**32,253,528**	**20,969,896**	**(72,411)**	**786,830**
Movement in working capital:					
Right-of-use Asset	23	21,341	69,631	-	-
Inventories	24	(30,505,015)	(10,919,468)	(1,021,081)	24,906
Trade and other receivables	25	(14,357,801)	13,309,485	(8,309,292)	(20,430,064)
Trade and other payables	33	6,644,035	(2,854,319)	1,796,892	1,925,603
Other assets	22	(1,653,357)	(16,802,034)	(9,009,535)	(9,285)
Retirement benefit obligation	35.3	50,754	206,226	35,839	66,403
Lease liability	34	16,007	(236,852)	10,075	-
Deferred Income not charged to P/L	32	79,092	(2,771,981)	2,617,535	-
Current Tax expenses in Profit and Loss	14	1,819,334	1,213,517	480,605	655,945
Deferred tax	15	231,004	(6,476)	99,502	(64,597)
Income Tax Paid	14	(1,328,928)	(367,547)	(572,621)	(222,862)
Net cash generated by/ (used in) operating activities		**(6,730,005)**	**1,810,079**	**(13,944,492)**	**(17,267,120)**
Cash flows from investing activities					
Payments for property, plant and equipment	17	(11,071,624)	(12,423,154)	(1,222,703)	(97,664)
Payments for Right-of-Use asset	23	(420,950)	(32,317)	(266,270)	-
Proceeds from disposal of property, plant and equipment		210,885	856,117	3,352	9,811
Other income	12.2	947,109	1,613,256	3,804,044	2,499,877
Dividend received	8	-	-	-	7,229,977
Net cash (used in)/generated by investing activities		**(10,334,580)**	**(9,986,098)**	**2,318,423**	**9,642,001**
Cash flows from financing activities					
Finance costs	12	(13,947,943)	(11,950,771)	(2,989,660)	(2,747,309)
Proceeds from borrowings		225,553,222	169,981,234	15,993,423	15,795,294
Repayment of borrowings		(172,701,067)	(152,955,823)	-	(15,777,012)
Dividends paid	29	-	(145,449)	-	(145,449)
Shareholder's Loan		800,000	8,100,000	800,000	8,100,000
Net cash generated by/(used in) financing activities		**39,704,212**	**13,029,191**	**11,186,227**	**5,225,524**
Net increase/(decrease) in cash and cash equivalents		22,639,627	4,853,172	(439,842)	(2,399,595)
Cash and cash equivalents at the beginning of the year		22,950,939	18,097,767	658,110	3,057,705
Cash and cash equivalents at the end of the year	26	**45,590,565**	**22,950,939**	**218,268**	**658,110**

The accompanying notes on pages 9 to 61 and other disclosures from pages 62 to 65 form an integral part of these financial statements.

DUFIL PRIMA FOODS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Corporate structure and description of business

Dufil Prima Foods Plc. (the Company) was incorporated in Nigeria as a private limited liability company on 19 December 2001 and commenced production on 2 January 2004. The Company converted into a public limited company (Plc.) on 25 July 2008.

The Company's shareholders consist of Tolaram Africa Foods Pte. Ltd., with 48.994% shareholding, Platinum Stream Profits Limited with 48.994% shareholding and the balance 2.012% held by minority shareholders.

The Company acquired controlling interests in following companies:

Subsidiaries	Number of shares held	Percentage held (%)	Year of acquisition/ investment	Principal activities
De United Foods Industries Limited	59,999,998	99.999997	2008	Manufacturing and marketing of Indomie, Minimie and Mimee brands of instant noodles and seasoning.
Insignia Print Technology LFTZ Enterprise	1,999,998	99.999900	2008	Manufacturing and selling of packaging materials.
Northern Noodles Limited	9,999,999	99.999900	2010*	Manufacturing and marketing of Indomie, Mimee and Minimie brands of instant
Pure Flour Mills Limited	9,999,999	99.999900	2010*	Manufacturing and marketing of Power Pasta brand of Pasta (spaghetti), Minimie brand of Pasta(macaroni), Minimie brand of Chinchin (snacks), wheat flour and its by-product.
Raffles Oil LFTZ Enterprise	99,999	99.999900	2012*	Manufacturing and marketing of Power Oil and Emperor Oil brand of vegetable oil, RBDPO and its by-product.
De United Foods Industries Ghana Limited	11,901,920	100.00	2013* and 2017*	Manufacturing, importing and marketing of Indomie brand of instant noodles, manufacturing of Minimie Brand of Pasta.
Enriched Pte Limited	100,000	100.00	2017*	Procurement and others.
Infinity FZCO, Dubai	100	100.00	2019*	Procurement and others.

* The year of incorporation and investment in Subsidiaries by the Company.

The principal activities of the Group are manufacturing and marketing of Instant Noodles, Seasoning, Pasta, Flour, Packaging material, Chinchin, Vegetable oil and RBDPO. The principal activities of the Company are the manufacturing and marketing of the Indomie, Mimee and Minimie brands of instant noodles.

1 Corporate structure and description of business - continued

1.1 Composition of financial statements

The consolidated and separate financial statements are presented in Naira which is the functional currency of Dufil Prima Foods Plc in accordance with International Financial Reporting Standards (IFRS). These comprise:

- Consolidated and separate statement of profit or loss and other comprehensive income;
- Consolidated and separate statement of financial position;
- Consolidated and separate statement of changes in equity;
- Consolidated and separate statement of cash flows; and
- Notes to the consolidated and separate financial statements.

1.2 Basis of preparation

(a) Financial period

These consolidated and separate financial statements cover the financial year ended 31 December 2021, with comparative amounts for the financial year ended 31 December 2020.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared using the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

1.3 Going concern consideration

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the Going Concern Basis of accounting in preparation of Financial Statements.

2 Adoption of new and revised Standards

2.1 New and amended IFRS Standard that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment to IFRS 16-Covid-19-Related Rent Concessions beyond 30 June 2021

In the current year, the Group has applied amendments to IFRS 16 "Leases" and other standards that are effective for an annual period that begins on or after 1 January 2021. In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments' affected payments originally due on or before 30 June 2021. This has been extended to apply to reduction in lease payments due on or before 30 June 2022. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

It applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

• The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
• Any reduction in lease payments affects only payments originally due on or before 30 June 2022
• There is no substantive change to other terms and conditions of the lease.

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021. Both the Phase 1 and Phase 2 the amendments are not relevant to the Company and the Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

• IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
• Amendments to IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• Amendments to IAS 1 Classification of Liabilities as Current or Non-current
• Amendments to IFRS 3 Reference to the Conceptual Framework
• Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
• Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
• Annual Improvements to IFRS Standards 2018-2020 Cycle
• Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
• Amendments to IAS 8 - Definition of Accounting Estimates
• Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2 Adoption of new and revised Standards - Continued

2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021 (Continued)

IFRS 17 Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

2 Adoption of new and revised Standards - Continued

2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021 (Continued)

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

2 Adoption of new and revised Standards

2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021 (Continued)

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

• A change in accounting estimate that results from new information or new developments is not the correction of an error

• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

2 Adoption of new and revised Standards

2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021 (Continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities

– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively.

The Directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

3 Significant accounting policies

3.1 Basis of Accounting

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

3.2 Basis of preparation

The financials statements have been prepared using the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies. Historical costs is generally based on the fair value of consideration given in exchange for goods and services.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

Wherever 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.

3. Significant accounting policies (continued)

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal Companies) that are classified as held for sale in accordance with IFRS 5 Non current Assets Held for Sale and Discontinued Operations (if any) are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement year adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement year adjustments are adjustments that arise from additional information obtained during the 'measurement year' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement year adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that if known would have affected the amounts recognised at that date.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised but it is reviewed for impairment at least annually.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3 Significant accounting policies (continued)

3.6 Revenue recognition

The Group recognises revenue from the following major sources:
• Sale of instant noodles, consumer oil, industrial oil, flour, packaging and other wheat based products.
• Sale of scrap and other by-products.
The major source of revenue for the Group is sale of Indomie, Minimie and Mimee brands of instant noodles, Power Oil and Emperor Oil brands of consumer oil, Power Pasta brand of pasta and Minimie Pasta brand of pasta.

3.6.1 Revenue from sale of goods

• Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.
• the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Group; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of instant noodles, consumer oil, pasta and snacks
The Group is engaged in manufacture and sale of Indomie, Minimie and Mimee brands of instant noodles, Power Oil and Emperor Oil brands of consumer oil, Power Pasta brand of pasta, Minimie Pasta brand of pasta and Minimie brand of snacks and sells solely to its related party Multipro Consumer Products Limited.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customer have a right to return within 30 days. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

3.7 Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

3.8 Leases

As per IFRS 16 "Leases", the standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

The Group as lessee

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

3 Significant accounting policies (continued)

3.8 Leasing (continued)

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

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

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

The lease liability is presented as a separate line in the statement of financial position.

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. Significant accounting policies (continued)

3.9 Operating segments

The Group's business segments are presented based on the information reported to the Chief Operating Decision Makers (Directors) for resource allocation and performance assessment.

3.10 Foreign Currency Transactions and Translations

The financial statements of the Group are presented in Naira, which is the functional currency. In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

The assets and liabilities of the Group's foreign operation are translated in Naira using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average monthly exchange rate for the period. Exchange difference arising (if any) are recognised in other comprehensive income and accumulated in equity.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Any resulting exchange differences are included in 'Other income and loss' in the statement of profit or loss.
Non monetary items measured in terms of historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items are included in statement of profit or loss for the year.
Exchange differences are recognised in profit or loss in the period in which they arise **except for:**

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.11 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 capitalisation.
All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the years in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.
The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3 Significant accounting policies (continued)

3.13 Employee benefits

3.13.1 Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity makes contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the year during which services are rendered by employees.

The Group has the pension fund scheme as defined contribution plan.

The Group operates a defined contribution pension plan in accordance with Pension Reform Act 2014. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Group by the employees and is recorded as an expense in statement of profit or loss and other comprehensive income. The contribution by the employee is 8% and by the employer is 10% (13% in Insignia) of the employees' emoluments.

3.13.2 Retirement benefit costs and termination benefit costs

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurement.

The retirement benefit obligation recognised in the consolidated and separate statement of financial position represents the actual deficit or surplus in the Group’s and Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.13.3 Other employee benefits

Other short and long term employee benefits are recognised as an expense over the period in which they accrue.

3 Significant accounting policies (continued)

3.14 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

3.14.1 Current tax

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

3.14.2 Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Where the Group has a history of tax losses, the Group recognises a deferred tax asset only to the extent that the entity has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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 year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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 also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3 Significant accounting policies (continued)

3.15 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. Items of 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 capitalised as part of the equipment. When parts of an item of property, plant and equipment have different useful life, 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 recognised net within other income in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life 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 life unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful life for the current and comparative year is as follows:

Class of assets	Estimated useful life (Years)
Building	20
Plant and machinery	5-15
Furniture and fittings	3-5
Motor vehicles	5

Depreciation methods, useful life and residual values are reviewed at each financial year end and adjusted if appropriate.

Lease hold land is amortised over the lease period. No depreciation is charged on capital work in progress. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is put to use and depreciated accordingly. Freehold land is not depreciated.

3 Significant accounting policies (continued)

3.16 Intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Computer software costs

Costs that are directly associated with identifiable and unique software products controlled by the Group and which probably generate economic benefits exceeding beyond costs beyond one year are recognised as intangible assets.

Expenditures which enhance or extend the performance of Computer software programs beyond their original specifications are capitalised and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, but not exceeding a period of three (3) years.

3.16.1 Derecognition of intangible assets

An intangible asset is derecognised 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 derecognised.

An intangible asset is derecognised 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 derecognised.

3.17 Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate independent cash flows from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

3 Significant accounting policies (continued)

3.17 Impairment of tangible and intangible assets other than goodwill (continued)

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.18 Inventories

Inventories are valued at the lower of cost and estimated net realisable value after making allowance for slow moving inventory items. Costs of inventories are determined on a Weighted Average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion (for work-in-progress and finished goods) and costs necessary to make the sale. Cost of inventories includes purchase cost, conversion cost and other cost incurred to bring inventories to its present location and condition.

3.19 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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 year, taking into account the risks and uncertainties surrounding the obligation. When 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 the effect of the time value of money is material).

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.

3.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

3 Significant accounting policies (continued)

3.21 Financial instruments

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

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

3.21.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
• the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
• the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3 Significant accounting policies (continued)

3.21 Financial instruments - continued

3.21.1 Financial assets - Continued

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'finance income – interest income' line item.

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
• it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
• it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income – other' line item in profit or loss. The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

3 Significant accounting policies (continued)

3.21 Financial instruments - continued

3.21.1 Financial assets - Continued

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:
• Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described:

• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
• for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains or losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
• for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
• for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial asset
A financial asset, other than at FVTPL, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impaim1ent loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying a mount of the financial asset is reduced by the impaim1ent loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3 Significant accounting policies (continued)

3.21 Financial instruments - continued

3.21.1 Financial assets - Continued

The Enterprise recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Enterprise expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Enterprise applies a simplified approach in calculating ECLs.

Therefore, the Enterprise does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Enterprise has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

All impaim1ent losses are recognised in profit or loss. An impaim1ent loss is reversed if the reversal can be related objectively to an event occurring after the impaim1ent loss was recognised. For financial assets measured at amortised cost that are debt securities, the reversal is recognised in profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

3.21.2 **Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.21.3 **Financial liabilities and equity instruments**

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

(a) **Equity instruments**
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.
Dividend paid is recognised as liability in the year they are approved.

3 Significant accounting policies (continued)

3.21 Financial instruments (continued)

3.21.3 Financial liabilities and equity instruments (continued)

(b) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter year, to the net carrying amount on initial recognition.

(c) Derecognition of financial liabilities

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

3.22 Share capital

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

3 Significant accounting policies (continued)

3.23 Accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

• Capital management	Note 39.1
• Financial instruments risk management and policies	Note 39.4
• Sensitivity analyses disclosures	Notes 39.6 and 39.7

Judgements:
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Revenue from contracts with customers
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with its customer.

- Identifying performance obligations in a bundled sale of services
- Determining timing of satisfaction of performance obligation

Estimates and Assumptions
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 described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Estimated useful life
The Management reviews the estimated useful life and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful life of property, plant and equipment as at 31 December 2021 and the Management has not highlighted any requirement for an adjustment to the residual value and remaining useful life of the assets for the current or future periods. For more details refer to Note 3.15.

3 Significant accounting policies (continued)

3.23 Accounting judgements, estimates and assumptions (continued)

(ii) Write down of inventories to net realisable value

The Group regularly evaluates inventory to determine excess or obsolete status. The proper recording of inventory at lower of cost and market price is necessary to fairly reflect its net realizable value. For more details refer to Note 24.

(iii) Impairment loss on trade receivables

The Group regularly evaluates trade receivables to determine their fair value. Moreover, the Group has only one customer and has an agreement ensuring that payments will be received within 30 days. For more details refer to Note 25.

(iv) Provisions for defined benefit plans

The actuarial techniques used to assess the value of the defined benefit plans involve financial assumptions (discount rate) and demographic assumptions (salary increase rate and employee turnover rate). For more details refer to Note 35.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies and funding strategy. Further details are contained in Note 15

(vi) Revenue recognition

In making their judgment, the directors considered the detailed criteria for the recognition of revenue from sale of goods set out in IFRS 15 and in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

(vii) Impairment loss on trade receivables

The Group recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Management believes that there is no impairment loss on trade receivables because significant sales are made to related entities which are allowed a credit period of 30 days within which it pays on account.

(viii) Impairment of property, plant and equipment

Management assesses items of property, plant and equipment for impairment when there are indications that the assets are impaired. Specifically damaged, accident and physically deteriorated assets are immediately derecognised.

(ix) Useful life of property, plant and equipment

The useful life of an asset shall be reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

3 Significant Accounting Policies (continued)

3.23 Impairment

3.23.1 Non financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For intangible assets that have indefinite useful life or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through optimum utilisation of capital.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balance) and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings.

The Group is not subject to any externally imposed capital requirements.

4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see note 4.2 below), 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 financial statements.

4.2 Key sources of estimation uncertainty

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:

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill at 31 December 2021 was N608.91 million (31 December 2020: N608.91 million). No Impairment loss was recognised during 2021 (2020: Nil).

4.2.2 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

4.2.3 Discount rate used to determine the carrying amount of the Group's defined benefit obligation.

The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting year on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

DUFIL PRIMA FOODS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Revenue	**Group**		**Company**	
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Revenue from sale of goods	306,757,285	225,274,616	73,590,625	53,116,530

6 Operating segments

a) Products from which reportable segments derive their revenues

Information reported to the Group's Chief Operating Decision Makers for the purpose of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The Group's reportable segments under IFRS 8 are therefore as follows:

Segments	**Company**
Noodles	Dufil Prima Foods Plc De United Foods Industries Limited Northern Noodles Limited De United Foods Industries Ghana Limited
Seasoning	De United Foods Industries Limited
Flour	Pure Flour Mills Limited
Pasta	Pure Flour Mills Limited De United Foods Industries Ghana Limited
Snacks	Pure Flour Mills Limited
Packaging	Insignia Print Technology LFTZ Enterprise
Palm oil	Raffles Oil LFTZ Enterprise
Procurement and others	Enriched Pte. Ltd. Infinity FZCO

b) Segment revenue

	Group	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Noodle	201,453,100	150,742,774
Flour	9,799,791	3,890,622
Pasta	18,859,120	14,330,711
Snacks	9,797,559	7,782,503
Packaging	8,078,894	4,035,207
Palm oil	58,768,821	44,492,799
	306,757,285	**225,274,616**

	Company	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Noodle	73,590,625	53,116,530
	73,590,625	**53,116,530**

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales in the current year amounting to N 117.79 billion (2020: 113.03 billion) were eliminated before arriving at the total number.

6 Operating segments (continued)

c) Segment assets and liabilities	Assets		Liabilities	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Noodles	95,123,011	70,001,521	81,728,756	58,411,218
Seasoning	11,975,782	11,371,949	847,400	594,434
Flour	25,543,830	19,552,013	18,608,303	5,458,986
Pasta	5,194,054	5,526,963	2,020,385	12,464,021
Snacks	4,883,575	3,822,759	11,267,554	8,021,580
Packaging	29,285,047	20,118,101	13,506,931	9,321,242
Palm Oil	62,702,571	31,717,711	50,949,882	25,949,682
Procurement and others	19,358,209	17,011,392	18,939,419	16,744,262
	254,066,079	**179,122,409**	**197,868,629**	**136,965,425**

The accounting policies of the reportable segments are same as that of the Group's as described in note 3.

d) Other segment information	Depreciation and amortisation		Additions to Property, plant and equipment	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Noodles	3,039,181	2,766,543	4,380,373	3,699,787
Seasoning	349,648	332,263	676,539	439,630
Flour	283,889	287,638	3,702,060	2,811,080
Pasta	393,715	380,822	114,115	55,494
Snacks	136,916	133,154	60,352	5,886
Packaging	717,320	340,348	1,828,910	4,888,767
Palm Oil	690,053	650,955	309,275	522,510
	5,610,722	**4,891,723**	**11,071,624**	**12,423,154**

e) Business and geographical segments

The Group sales based on geographical location are shown below:

	Segment revenue		Segment assets	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Nigeria	286,258,443	211,030,978	242,012,685	167,947,349
Ghana	20,194,769	14,236,992	12,053,394	11,175,060
Other Countries	304,073	6,646	-	-
	306,757,285	**225,274,616**	**254,066,079**	**179,122,409**

f) Information about major customers

Included in revenue arising from the Noodle segment of N181.27 billion (2020: N136.51 billion), which arose from sales to the Group's largest customer, Multipro Consumer Products Limited (MCPL), whereas from Pasta, Snacks and Palm Oil segments sales to MCPL was N70.90 billion (2020: N52.49 billion). No other single customer contributes 10% or more to the Group's revenue for both 2021 and 2020.

7 Cost of sales

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Raw material consumed	223,169,049	155,106,270	62,250,596	41,642,195
Factory overheads	23,799,777	20,774,122	4,404,894	3,677,928
Depreciation and amortisation	5,230,484	4,602,033	509,266	387,054
Bad inventory	229,435	70,260	26,289	26,988
	252,428,745	**180,552,685**	**67,191,045**	**45,734,165**

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
8	**Investment income**				
	Dividend received	-	-	-	7,229,977
		-	**-**	**-**	**7,229,977**
9	**Marketing expenses**				
	Media	8,254,872	4,011,410	1,697,642	944,524
	Production of adverts	5,533	207,282	-	6,416
	Consumer/trade promotion	4,577,132	4,817,144	236,888	583,037
	Other promotions	4,679,091	3,782,754	2,572,935	1,753,790
		17,516,628	**12,818,590**	**4,507,465**	**3,287,767**
10	**Administrative expenses**				
	Administrative overhead	3,879,793	3,272,921	757,534	752,956
	Salaries and wages	1,735,271	2,007,020	113,050	707,261
	Royalty and technical fees	3,799,322	2,837,905	1,551,952	1,143,329
	Depreciation	376,576	325,535	28,279	20,573
		9,790,962	**8,443,381**	**2,450,815**	**2,624,119**
11	**Other gains and losses**				
	Sale of scrap	1,947,423	1,056,965	490,787	312,483
	(Loss)/gain on disposal of property, plant and equipment	(47,777)	13,132	(35,990)	-
	Miscellaneous expense	4,576	(270)	3,000	-
	Loss on foreign exchange	(91,743)	(7,166,476)	(2,765)	(855,922)
		1,812,479	**(6,096,649)**	**455,032**	**(543,439)**

Loss on foreign exchange transaction includes N 169.83 mn of unrealised forex loss.

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
12	**Finance cost**				
12.1	**Finance expenses**				
	Interest on term loans	(7,755,347)	(5,962,422)	(2,226,974)	(1,953,012)
	Interest on bank overdraft and import finance facility	(6,136,741)	(5,902,237)	(761,962)	(794,297)
	Interest on lease liability	(55,854)	(86,112)	(724)	-
		(13,947,942)	**(11,950,771)**	**(2,989,660)**	**(2,747,309)**
	Interest on government grant* (Note 31)	(1,125,927)	(839,845)	(60,157)	-
		(15,073,869)	**(12,790,616)**	**(3,049,817)**	**(2,747,309)**

*Interest on DCRR loan of N 79.09 mn taken for Cassava project is being capitalised.

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
12.2	**Finance income**				
	Interest from staff loans and others	14,764	10,964	2,716	3,109
	Interest income from related company	-	-	3,804,044	2,369,791
	Income on government grant (Note 32)	586,176	524,581	22,831	-
	Others	947,109	1,613,256	-	130,086
		1,548,048	**2,148,801**	**3,829,592**	**2,502,986**
	Net finance cost	**(13,525,821)**	**(10,641,815)**	**779,775**	**(244,323)**

Other finance income includes borrowing cost of N 728.68 mn capitalised during the year. (See Note 17.3)

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
13	**Profit for the year**				
	Profit for the year from continuing operations is attributable to:				
	Owners of the Company	13,122,932	5,474,334	102,272	7,313,352
	Non controlling interests	5	2	-	-
		13,122,937	**5,474,336**	**102,272**	**7,313,352**
	Profit for the year from continuing operations has been arrived at after charging (crediting):				
	Depreciation and amortisation expenses	5,610,722	4,891,723	537,545	407,627
	Depreciation on Right-of-use asset	367,435	303,135	56,024	13,754
	Employee benefit expenses	12,853,489	11,844,389	2,124,138	2,454,207
	Auditor's remuneration	101,649	102,132	23,865	27,700
	Finance expense	(15,073,869)	(12,790,616)	(3,049,817)	(2,747,309)
	Finance income	1,548,048	2,148,801	3,829,592	2,502,986
	Investment income	-	-	-	7,229,977
	Impairment loss	-	-	-	-
	Gain/(loss) on disposal of property, plant and equipment	(47,777)	13,132	(35,990)	-

14 Taxation

14.1 Income tax recognised in profit or loss	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Current tax				
In respect of the current year				
Income tax	1,311,083	628,483	374,321	279,769
Education tax	190,702	144,323	31,606	23,943
NPF Levy	972	-	640	-
In respect of prior years	316,577	440,711	74,038	352,233
	1,819,334	1,213,517	480,605	655,945
Deferred tax				
In respect of the current year	365,338	33,643	93,230	(56,603)
	365,338	33,643	93,230	(56,603)
Total income tax expense recognised in the current year relating to continuing operations	**2,184,672**	**1,247,160**	**573,835**	**599,342**
The Income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax	15,307,609	6,721,496	676,107	7,912,694
Income tax expense calculated at 30% (2020: 30%)	4,547,022	1,964,406	202,832	2,373,808
Education tax calculated @ 2.5% of assessable profit (2020: 2%)	190,703	144,323	31,606	23,943
NPF Levy @0.0005% of Profit before tax	972		640	
Effect of income that is exempt from taxation	(3,126,892)	(1,208,735)	-	(2,168,993)
Effect of expenses that are not deductible in determining taxable profit	567,207	1,580,178	176,435	154,329
Effect of concessions (capital allowances)	(676,253)	(1,707,366)	(4,949)	(79,375)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets/liabilities	365,338	33,643	93,230	(56,603)
Effect off adjustment to current year profit arising from application of commencement rule	-	-	-	-
Income tax expenses for current year	1,868,095	806,449	499,794	247,109
Adjustments recognised in the current year in relation to the current tax of prior years	316,577	440,711	74,038	352,233
Income tax expense recognised in profit or loss	**2,184,672**	**1,247,160**	**573,832**	**599,342**

14.1.a The Minimum Tax provision of the Company Income Tax Act (CITA) was amended by the Finance Act 2019 which was signed into law on 13th January 2020. The amendment removed exemption granted to companies with imported equity capital from computing minimum tax while setting the minimum tax rate at 0.5% of Gross Turnover less franked investment income. Subsequent to this, on 31st December 2020, a new Finance Act, (Finance Act 2020) which reduced the minimum tax rate to 0.25% of Gross Turnover applicable to tax returns filed for any year of assessment falling due on any date between 1st January 2020 and 31st December 2021 was signed. The Company and its subsidiaries De United Foods Industries Limited (Noodle Division and Seasoning Division), Northern Noodles Limited, Pure Flour Mills Limited are subject to Minimum Taxation for 2021 financial year (2022 tax year of assessment) at minimum tax rate of 0.5% of Gross Turnover.

Current tax in respect of prior years includes tax liability amount payable following the tax audit exercise concluded in 2021 financial year relating to prior years and minimum tax payment in respect of 2019 financial year.

The tax rate used for the 2021 and 2020 reconciliations given above is at the current statutory rate which is payable by corporate entities on taxable profits under tax law in its jurisdiction except those that are situated in Lagos Free Zone (LFZ).

14 Taxation (continued)

14.2 Income tax recognised in other comprehensive income	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Current tax				
Others	-	-	-	-
	-	-	-	-
Deferred tax				
Arising on income and expenses recognised in other comprehensive income:				
Translation to foreign operations	-	-	-	-
Fair value remeasurement of available for sale financial assets	-	-	-	-
Property revaluations	-	-	-	-
Remeasurement of defined benefit obligation	(20,760)	7,324	(6,273)	7,994
	(20,760)	7,324	(6,273)	7,994
Total income tax recognised in other comprehensive income	(20,760)	7,324	(6,273)	7,994

14.3 Current tax assets and liabilities

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Current tax liabilities				
At 1 January	1,023,749	177,779	501,843	68,760
Current tax	1,819,334	1,213,517	480,605	655,945
Payment	(1,328,928)	(367,547)	(572,621)	(222,862)
At 31 December	**1,514,155**	**1,023,749**	**409,827**	**501,843**

15 Deferred taxation

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated and separate statements of financial position:

	Group		Company	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Deferred tax liabilities	(1,185,531)	(954,527)	(719,167)	(619,664)

15 Deferred taxation (continued)

	Group 31-Dec-21			
	At 1 January	Recognised in other comprehensive income	Recognised in Profit & loss	At 31 December
	N'000	N'000	N'000	N'000
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(1,111,042)	-	(91,865)	(1,202,907)
Exchange difference on foreign currency transactions	8,943	-	-	41,738
Defined benefit obligation	147,572	(20,760)	34,435	161,247
	(954,527)	**(20,760)**	**(57,430)**	**(1,185,531)**
	31-Dec-20			
Property, plant and equipment	(1,070,779)	-	(40,262)	(1,111,042)
Exchange difference on foreign currency transactions	(23,852)	-	-	8,943
Defined benefit obligation	133,629	7,324	6,619	147,572
	(961,003)	**7,324**	**(33,643)**	**(954,527)**

	Company 31-Dec-21			
	At 1 January	Recognised in other comprehensive income	Recognised in Profit & loss	At 31 December
	N'000	N'000	N'000	N'000
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(754,138)		(110,254)	(864,392)
Defined benefit obligation	134,474	6,273	4,479	145,226
	(619,664)	**6,273**	**(105,776)**	**(719,167)**
	31-Dec-20			
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(810,741)	-	56,603	(754,138)
Defined benefit obligation	126,480	7,994	-	134,474
	(684,261)	**7,994**	**56,603**	**(619,664)**

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Tax losses (revenue in nature)	172,753	973,214	-	-
Unused tax credits	4,739,456	4,694,823	-	-
Deductible temporary differences	(4,936,649)	(4,686,026)	(719,167)	(619,664)
Unrecognised deferred tax asset	**(24,440)**	**982,011**	**(719,167)**	**(619,664)**

The tax rate used for the 2021 and 2020 on unrecognised deductible temporary differences shown above is at the current statutory rate which is payable by corporate entities on taxable profits under tax law in its jurisdiction except those that are situated in Lagos Free Zone(LFZ).

16 Earnings per share

Earnings per share are calculated on the basis of profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

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

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Profit for the year attributable to owners of the Company	13,122,932	5,474,334	102,272	7,313,352
Number of shares	**('000)**	**('000)**	**('000)**	**('000)**
Number of ordinary shares for the purposes of basic earnings per share	6,753,333	6,753,333	6,753,333	6,753,333
Earnings per share - Basic	**1.94**	**0.81**	**0.02**	**1.08**

The denominators for the purposes of calculating basic earnings per share is based on issued and fully paid ordinary shares of 50 kobo each.

16.1 Impact of changes in accounting policies

There were no changes in the Group's accounting policies during the year that impacted on earnings per share.

17 Property, plant and equipment

Group

	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Construction work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost or valuation							
At 1 January 2020	**3,222,191**	**16,193,525**	**45,820,780**	**2,304,029**	**1,708,422**	**3,395,950**	**72,644,897**
Additions	61,439	92,372	1,892,642	137,751	320,575	9,918,375	12,423,154
Reclassification	-	524,209	1,577,888	108,689	24,696	(2,235,482)	-
Disposals	-	-	(1,038,839)	(9,157)	(191,529)	-	(1,239,525)
Effect of foreign currency exchange differences	94,387	182,751	185,935	2,016	4,297	23,485	492,871
At 31 December 2020	**3,378,017**	**16,992,857**	**48,438,406**	**2,543,328**	**1,866,461**	**11,102,328**	**84,321,397**
Additions	-	85,853	1,367,384	197,185	310,465	9,110,736	11,071,624
Reclassification	-	7,612,739	8,964,411	165,054	214,061	(16,956,266)	-
Disposals	-	(6,142)	(380,276)	(214,707)	(243,282)	(36,000)	(880,407)
Effect of foreign currency exchange differences	96,350	210,570	218,360	2,098	6,513	19,562	553,454
At 31 December 2021	**3,474,367**	**24,895,877**	**58,608,287**	**2,692,958**	**2,154,219**	**3,240,361**	**95,066,069**
Accumulated depreciation							
At 1 January 2020	**296,820**	**5,081,127**	**14,298,140**	**1,612,270**	**827,325**	**-**	**22,115,682**
Charge for the year	42,691	854,261	3,467,829	257,985	268,957	-	4,891,723
Disposals	-	-	(240,980)	(34,052)	(121,508)	-	(396,540)
At 31 December 2020	**339,511**	**5,935,388**	**17,524,989**	**1,836,203**	**974,774**	**-**	**26,610,865**
Charge for the year	37,879	1,024,040	3,923,654	301,039	324,110	-	5,610,722
Disposals	-	(2,844)	(234,913)	(204,943)	(179,044)	-	(621,745)
At 31 December 2021	**377,390**	**6,956,584**	**21,213,730**	**1,932,299**	**1,119,839**	**-**	**31,599,842**
Carrying amount							
At 31 December 2021	**3,096,977**	**17,939,293**	**37,394,557**	**760,659**	**1,034,380**	**3,240,361**	**63,466,227**
At 31 December 2020	**3,038,506**	**11,057,469**	**30,913,417**	**707,125**	**891,687**	**11,102,328**	**57,710,532**

Land consists of Freehold and Leasehold land. No depreciation is charged on Freehold and Leasehold land is depreciated over period of the lease. None of these assets are encumbered.

17 Property, plant and equipment (continued)

Company

	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Construction work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost or valuation							
At 1 January 2020	**118,261**	**1,445,564**	**5,406,389**	**286,348**	**118,708**	**59,187**	**7,434,457**
Additions	-	-	8,659	4,440	11,391	73,174	97,664
Reclassification	-	21,868	39,331	30,776	-	(91,975)	-
Intercompany Transfer	-	-	-	(18,847)	(10,844)	-	(29,691)
At 31 December 2020	**118,261**	**1,467,432**	**5,454,380**	**302,717**	**119,255**	**40,386**	**7,502,430**
Additions	-	23,495	706,884	39,509	44,654	408,161	1,222,703
Reclassification	-	36,085	262,261	42,049	38,835	(379,229)	-
Intercompany Transfer	-	-	-	-	(35)	-	(35)
Disposals	-	-	(40,468)	(130,321)	(34,273)	(36,000)	(241,062)
							-
At 31 December 2021	**118,261**	**1,527,011**	**6,383,057**	**253,953**	**168,436**	**33,318**	**8,484,036**
Accumulated depreciation							
At 1 January 2020	**-**	**795,616**	**2,941,882**	**243,734**	**68,583**	**-**	**4,049,815**
Charge for the year	-	83,160	288,556	19,022	16,889	-	407,627
Intercompany Transfer	-	-	-	(17,774)	(2,106)	-	(19,880)
At 31 December 2020	**-**	**878,776**	**3,230,438**	**244,982**	**83,366**	**-**	**4,437,562**
Charge for the year	-	86,585	391,522	35,130	24,307	-	537,545
Transfers							-
Impairment loss							-
Disposals	-	-	(40,468)	(129,663)	(31,625)	-	(201,756)
At 31 December 2021	**-**	**965,361**	**3,581,493**	**150,449**	**76,049**	**-**	**4,773,352**
Carrying amount							
At 31 December 2021	**118,261**	**561,650**	**2,801,564**	**103,504**	**92,387**	**33,318**	**3,710,685**
At 31 December 2020	**118,261**	**588,656**	**2,223,941**	**57,735**	**35,888**	**40,386**	**3,064,868**

17.1 Depreciation charged for the year included :	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	N'000	N'000	N'000	N'000
Cost of sales	5,230,484	4,566,188	509,266	387,054
Administrative expenses	380,238	325,535	28,279	20,573
	5,610,722	4,891,723	537,545	407,627

17.2 Assets pledged as security for liabilities

There is negative pledge on the assets of the Group and the Company.

17.3 Capitalised borrowing costs

The Group has capitalised interest cost of N 728.68 mn on borrowings during the year (2020: 858.41mn)

17.4 The useful life of property, plant and equipment applied to arrive at the depreciation charge for the year is as follows:

Class of Assets	Estimated useful life (Years)
Building	20
Plant and machinery	5-15
Furniture and fittings	3-5
Motor vehicles	5
Land	Nil

18 Investment in subsidiaries

This represents the investments of the Company in the following subsidiaries:

	Company	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Infinity FZCO	10,000	10,000
De United Foods Industries Limited	611,667	611,667
Insignia Print Technology LFTZ Enterprise	270,000	270,000
Northern Noodles Limited	10,000	10,000
Pure Flour Mills Limited	10,000	10,000
Raffles Oil LFTZ Enterprise	16,000	16,000
De United Foods Industries Ghana Limited	4,482,275	4,482,275
Enriched Pte Ltd	32,000	32,000
	5,441,942	**5,441,942**

Subsidiary	Principal activity	% interest
De United Foods Industries Limited	Manufacturing and marketing of Indomie, Minimie and Mimee brands of instant noodles and seasoning.	99.999997%
Insignia Print Technology LFTZ Enterprise	Manufacturing and selling of packaging material.	99.999900%
Northern Noodles Limited	Manufacturing and marketing of Indomie and Minimie brands of instant noodles.	99.999990%
Pure Flour Mills Limited	Manufacturing and marketing of Power Pasta brand of Pasta (spaghetti), Minimie brand of Chinchin (snacks), wheat flour and its by-product.	99.999990%
Raffles Oil LFTZ Enterprise	Manufacturing and marketing of Power Oil and Emperor Oil brand of vegetable oil, RBDPO and its by product.	99.999990%
De United Foods Industries Ghana Limited	Importing and marketing of Indomie brand of instant noodles, Manufacturing of Minimie Brand of Pasta.	100%
Infinity FZCO	Procurement and others.	100%
Enriched Pte. Ltd.	Procurement and others.	100%

19 Goodwill

	Group	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Cost	608,910	608,910
Accumulated impairment loss	-	-
	608,910	**608,910**

Cost	**Group**	**Group**
	N'000	**N'000**
At 1 January 2021	608,910	608,910
Additions	-	-
At 31 December 2021	**608,910**	**608,910**
Accumulated impairment loss		
At 1 January 2021	-	-
Impairment losses recognised in the year	-	-
At 31 December 2021	**-**	**-**

Goodwill on consolidation represents excess investments over the net assets on acquisition of 99.99% interest in the subsidiaries (De United Foods Industries Limited and Insignia Print Technology LFTZ Enterprise).

The Directors determined budgeted gross margin and results based on past performance and its expectation of market development. The discount rate used are pre-tax and reflect specific risk relating to the relevant subsidiaries. Based on the recoverable amount determined, goodwill on consolidation related to the subsidiaries has not resulted in impairment in the current financial year. With regard to the assessment of value in use, the Directors believe that no reasonably possible change in any of the key assumptions would cause the carrying value of the unit to be materially different from its recoverable amount.

20 Intangible assets

	Group Software license N'000
Cost	
At 1 January 2020	**54,354**
Disposals	-
At 31 December 2020	**54,354**
Disposals	-
At 31 December 2021	**54,354**
Accumulated amortization	
At 1 January 2020	54,354
Charge for the year	-
At 31 December 2020	**54,354**
Charge for the year	-
At 31 December 2021	**54,354**
Carrying amount	
At 31 December 2021	**-**
At 31 December 2020	**-**

All the intangible assets have been depreciated, however, still in use.

21 Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Subsidiaries	Principal activities	Year of acquisition/ investment	Percentage held (%) 31-Dec-21	Percentage held (%) 31-Dec-20
De United Foods Industries Limited	Manufacturing and marketing of Indomie, Minimie and Mimee brands of instant noodles and seasoning.	2008	99.999997	99.999997
Insignia Print Technology LFTZ Enterprise	Manufacturing and selling of packaging materials.	2008	99.999900	99.999900
Northern Noodles Limited	Manufacturing and marketing of Indomie and Minimie brands of instant noodles.	2010*	99.999900	99.999900
Pure Flour Mills Limited	Manufacturing and marketing of Power Pasta brand of Pasta (spaghetti), Minimie brand of Chinchin (snacks), wheat flour and its by-products	2010*	99.999900	99.9999
Raffles Oil LFTZ Enterprise	Manufacturing and marketing of Power Oil and Emperor Oil brand of vegetable oil, RBDPO and its by product.	2012*	99.999900	99.999900
De United Foods Industries Ghana Limited	Importing and marketing of Indomie brand of instant noodles, Manufacturing of Minimie Brand of Pasta.	2013* and 2017*	100.00	100.00
Enriched Pte. Ltd.	Procurement and others.	2017*	100.00	100.00
Infinity FZCO, Dubai	Procurement and others.	2019	100.00	100.00

* The year of incorporation and investment in Subsidiaries by the Company.

22 Other assets

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Prepayments (Note 22.1)	6,065,352	1,978,106	160,956	51,421
Advances	18,065,193	20,499,082	8,900,000	-
	24,130,545	**22,477,188**	**9,060,956**	**51,421**
Current	24,130,545	22,471,205	9,060,956	51,421
Non current	-	5,983	-	-
	24,130,545	**22,477,188**	**9,060,956**	**51,421**

22 Other assets (continued)

22.1 Prepayments	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Rent	256,803	62,907	1,750	-
Insurance	462,729	295,585	65,472	49,351
Interest	87,083	53,243	87,083	-
School subsidy	1,372	3,016	164	-
Import charges	1,433,114	658,154	-	-
Other prepaid expenses	3,824,251	905,201	6,487	2,070
	6,065,352	1,978,106	160,956	51,421

Other assets represent non-financial assets such as deferred costs and receivables that will be realised by the receipt of goods or rendering of services.

23 Right-of-use Asset	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
At 1 January	972,978	1,313,427	6,878	20,632
Asset recognised during the year	420,950	32,317	266,270	-
Adjustments	(21,341)	(69,631)		-
Less: Amortised during the year	(367,435)	(303,135)	(56,024)	(13,754)
At 31 December	1,005,153	972,978	217,125	6,878

24 Inventories	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Raw materials	72,097,619	42,858,080	2,052,893	1,210,167
Finished goods	7,896,098	6,387,024	454,939	238,258
Work in progress	107,627	475,935	-	-
Spares and consumables	2,757,147	2,632,437	259,578	297,904
	82,858,491	52,353,476	2,767,410	1,746,329

24.1 Goods in transit

Included in raw materials are goods in transit of Group for the year amounting to N22.88 billion (2020: N12.53 billion) and Company is N572.95 million (2020: N314.91 million).

24.2 The cost of raw materials recognised as an expense during the year for the Group is N223.17 billion (2020: N155.11 billion) and for the Company is N62.25 billion (2020: N41.64 billion).

25 Trade and other receivables	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Trade receivables				
Trade receivables from third parties	437,094	387,208	-	-
Trade receivables from related parties (See Note 38.2.1)	24,069,217	8,451,646	7,374,157	2,871,168
	24,506,311	8,838,854	7,374,157	2,871,168
Other receivables				
Claimable Deposits	-	-	-	-
Staff debtors	443,900	443,896	92,436	94,256
Other debtors	381,142	88,413	23,855	36,288
Deposit - Export Expansion Grant (Note 40)	10,714,583	10,610,312	-	-
Due from related parties (See Note 38.2.1)	360,320	1,942,013	26,841,045	23,020,489
Margin deposits	-	-	-	-
Current Tax Asset	-	125,166	-	-
	11,899,945	13,209,800	26,957,336	23,151,033
Less: Expected credit loss on trade receivables	(69)	(268)		-
	36,406,187	22,048,386	34,331,493	26,022,201

25.1 Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Group's credit period on sales is an average of 30 days for external customers.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

25 Trade and other receivables (continued)

25.2 Collateral and other credit enhancements

The Group does not hold any collateral or other credit enhancements over these balance nor does it have a legal right of offset against any amounts owed by the Group to the counter party.

25.3 Concentration risk

The Group's significant sales is to Multipro Consumer Products Limited and therefore has an agreement ensuring that payments will be received within 30 days.

	Group		Company	
25.4 Age of receivables that are past due but not impaired	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
60-90 days	-	-	-	-
91-120 days	-	-	-	-
Total	-	-	-	-
25.5 Movement in the allowance for doubtful debts				
Balance at the beginning of the year	-	-	-	-
Amount written off during the year	-	-	-	-
Amount recovered during the year	-	-	-	-
Impairment losses reversed	-	-	-	-
Total	-	-	-	-

26 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand and at banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Group		Company	
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Cash	84,514	148,625	43,843	294
Bank balance	45,506,052	22,802,314	174,425	657,815
Cash and cash equivalents	**45,590,566**	**22,950,939**	**218,268**	**658,109**
Bank overdraft	(1,432,660)	(811,470)	(11,705)	(18,282)
Net Cash and cash equivalents	**44,157,906**	**22,139,469**	**206,563**	**639,827**

27 Share capital

Authorised share capital:				
10,000,000,000 ordinary shares of 50 kobo each	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**
Issued and fully paid share capital				
6,753,333,334 ordinary shares of 50 kobo each	**3,376,667**	**3,376,667**	**3,376,667**	**3,376,667**

The Group has one class of ordinary shares which carry no right to fixed income.

		Group		Company	
28	**Other reserves**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
		N'000	**N'000**	**N'000**	**N'000**
	Foreign currency translation reserve (Note 28.1)	(649,610)	(846,189)	-	-

		Group		Company	
28.1	**Foreign currency translation reserve**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
		N'000	**N'000**	**N'000**	**N'000**
	At 1 January	(846,189)	(1,002,945)	-	-
	Exchange differences arising on translating the foreign operations	196,579	156,756	-	-
	At 31 December	**(649,610)**	**(846,189)**	**-**	**-**
29	**Retained earnings**				
	At 1 January	31,526,478	33,281,040	2,816,394	2,694,467
	Payment of dividends (Note 29.1)	-	(7,226,067)	-	(7,226,067)
	Other comprehensive (loss)/income arising from remeasurement of defined benefit obligation net of income tax	(79,050)	(2,829)	(27,183)	34,642
	Profit attributable to the owners of the Company	13,122,932	5,474,334	102,272	7,313,352
	At 31 December	**44,570,360**	**31,526,478**	**2,891,483**	**2,816,394**

29.1 Payment of dividends

The Directors of the company proposed dividend of N 0.49 per ordinary share of 50 kobo each amounting to N 3.28 billion to be paid to shareholders in respect of year 2021. N 3.28 billion dividend is receivable from Insignia Print Technology LFTZ Enterprise, an Enterprise operating under the laws of Nigeria Export Processing Zone Act. The estimated dividend net of withholding tax at the appropriate rate is subject to approval by shareholders at the Annual General Meeting. Consequently, it has not been included as a liability in these financial statements as they do not constitute present obligation to the Company in accordance with (IAS) 27 on Provisions, Contingent Liabilities and Contingent Assets.

30	**Non controlling interest**	**31-Dec-21**	**31-Dec-20**
		N'000	**N'000**
	At 1 January	28	26
	Share of profit for the year	5	2
	At 31 December	**33**	**28**

DUFIL PRIMA FOODS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
31	**Borrowings**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
		N'000	**N'000**	**N'000**	**N'000**
	Secured- at amortized cost				
	Bank overdrafts (Note 26)	1,432,660	811,470	11,705	18,282
	Import finance facility and commercial paper (Note 31.1)	40,127,436	38,619,575	-	-
	Term loans (Note 31.2)	57,933,484	35,644,816	10,610,000	10,608,333
	Government grant (Note 31.3)	48,831,263	25,110,163	13,436,243	-
		148,324,842	**100,186,024**	**24,057,948**	**10,626,615**
	Current	104,705,214	63,816,199	16,875,484	626,615
	Non current	43,619,629	36,369,825	7,182,464	10,000,000
		148,324,843	**100,186,024**	**24,057,948**	**10,626,615**
31.1	**Import finance facility and commercial paper**				
	At 1 January	36,129,176	25,143,046	-	-
	Additions	149,385,421	141,410,388	-	15,777,012
	Repayment	(148,101,600)	(130,424,259)	-	(15,777,012)
	At 31 December	**37,412,997**	**36,129,176**	**-**	**-**
	Accrued Interest	2,714,439	2,490,400	-	-
		40,127,436	**38,619,575**	**-**	**-**
	Current	40,127,436	38,619,575	-	-
	Non current	-	-	-	-
		40,127,436	**38,619,575**	**-**	**-**
31.2	**Term loans**				
	At 1 January	34,488,721	40,053,624	10,000,000	10,000,000
	Additions	42,771,611	17,066,927	-	-
	Repayment	(20,681,989)	(21,131,830)	-	-
	Reclassification to Govt Grant	-	(1,500,000)	-	-
	At 31 December	**56,578,343**	**34,488,721**	**10,000,000**	**10,000,000**
	Accrued Interest	1,355,141	1,156,095	610,000	608,333
		57,933,484	**35,644,816**	**10,610,000**	**10,608,333**
	Current	53,768,495	20,555,792	10,610,000	608,333
	Non current	4,164,989	15,089,024	-	10,000,000
		57,933,484	**35,644,816**	**10,610,000**	**10,608,333**
31.3	**BOI and DCRR Loans (Government Grant)**				
	At 1 January	24,946,300	17,556,094	-	-
	Addition in the year	32,775,000	10,692,449	16,000,000	-
	Reclassification from Govt Grant	-	1,500,000	-	-
	Deferred income (Note 32)	(6,427,941)	(4,284,627)	(2,640,367)	-
	Interest on government grant (Note 12.1)	1,205,019	882,119	60,157	-
	Repayment	(3,917,478)	(1,399,735)	-	-
	At 31 December	**48,580,899**	**24,946,300**	**13,419,791**	**-**
	Accrued Interest	250,364	163,863	16,452	-
		48,831,263	**25,110,163**	**13,436,243**	**-**
	Current	9,376,623	3,829,362	6,253,779	-
	Non current	39,454,640	21,280,801	7,182,464	-
		48,831,263	**25,110,163**	**13,436,243**	**-**

31 Borrowings - continued

31.4 Summary of borrowing arrangements

(i) The Short term loan facilities are in the form of overdraft facility from different banks at an interest rate ranging from 9% to 19.5% p.a.(Company : 10% to 14% p.a). The loans are secured by a negative pledge on the assets of the Group.

(ii) The Short term loan facilities are in the form of import finance facilities from different banks and financial institutions at an interest rate ranging from 2.25% to 90 day LIBOR+10% p.a. The loans are secured by a negative pledge on the assets of the Group.

(iii) The Short term loan facilities are in the form of commercial papers from different banks and financial institutions at an interest rate ranging from 5.5% to 12% for tenors ranging from 180 days to 270 days. The loans are secured by a negative pledge on the assets of the Group.

(iv) The Long term loan facilities are in the form of term loan from different banks at an interest rate ranging from 90 day LIBOR+3.5% to 10% p.a. The loans are secured by a negative pledge on the assets of the Group.

(v) The Government grant (loan) represents loans taken at interest rate ranging from 7% to 10% p.a, which is below market rate after the transition date. As a response to the COVID-19 global pandemic, governments around the world are implementing measures to help businesses and economies get through it. The nature of government grants can take on various forms such as below market rate loans, short-time working subsidies, relief funds, income-based tax credits to name just a few.

In view of the above, Central Bank of Nigeria as a palliative measure to boost the economy and reduce the interest burden of the companies, provided interest rate concessions and moratorium extensions on loans provided by them. The interest rates on BOI loans reduced by 2% to 5% and the DCRR loans reduced by 4% till February 2022.

(vi) The Long term loan facilities are in the form of Corporate Bonds from different financial institutions at an Interest rate of 18.25% p.a. This is 5 year secured, fixed rate corporate bond.

(vii) The weighted average interest rate on the Bank loans is approximate 9.7% p.a as at 31 December 2021 (2020: 9% p.a).

(viii) The borrowings are secured by a negative pledge over all assets of Dufil Prima Foods Plc.

(ix) The maturity date of the N10 billion bond recognised in Note 31 is 1st August, 2022.

32 Deferred income

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	5,081,464	3,253,554	-	-
Accrued during the year	6,427,941	4,284,627	2,640,367	-
Reversed during the year	-	(2,002,703)		-
Released during the year	(586,175)	(454,014)	(22,831)	-
At 31 December	**10,923,230**	**5,081,464**	**2,617,535**	**-**
Current	1,268,868	384,177	440,217	-
Non current	9,654,362	4,697,287	2,177,319	-
	10,923,230	**5,081,464**	**2,617,535**	**-**

The Deferred income arose as a result of the benefit received from a below market interest rate government loan granted to Northern Noodles Limited, Pure Flour Mills Ltd, Raffles Oil LFTZ Enterprise, Insignia Print Technology LFTZ Enterprise and De United Foods Industries Limited, a subsidiary of Dufil Prima Foods Plc. The income is recognised in profit or loss over the life of the assets for which the loan is obtained/granted.

33 Trade and other payables

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Trade payable	13,124,960	6,978,993	748,860	647,244
Other payables:				
VAT payable	1,171,062	1,039,819	395,610	291,372
WHT payable	606,596	530,419	232,732	170,392
Due to related parties (Note 38.2)	6,835,613	5,357,631	3,816,276	1,912,158
Staff pension (Note 33.1)	475	883	-	-
Other current liabilities	7,818,696	7,655,162	6,591,271	7,206,248
Other payables	2,093,557	3,892,990	115,123	96,889
Accruals	2,344,571	2,405,185	341,466	138,262
	20,870,570	**20,882,089**	**11,492,478**	**9,815,321**
	33,995,530	**27,861,082**	**12,241,338**	**10,462,565**

Trade payables and other payables principally comprise amounts outstanding for trade purchases, unearned revenue and ongoing costs. The average credit period for trade purchases is 30 days. The Group has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms. Accruals relates to advertisement and promotion and interest expense for the year 2021.

The Directors consider that the carrying amount of trade and other payables approximates to the fair value.

33 Trade and other payables - continued

33.1 Staff pension

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	883	253	-	-
Addition in the year	445,668	423,472	138,677	128,426
Payments in the year	(446,076)	(422,842)	(138,677)	(128,426)
As at 31 December	**475**	**883**	**-**	**-**

34 Lease liability

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	382,241	619,094	-	-
Liability recognised during the year	67,201	5,512	9,352	-
Add: Interest charged for the year	53,843	86,112	724	-
Less: Reclassified during the year	(0)	(33,565)		-
Less: Lease liability paid off during the year	(105,037)	(294,911)	-	-
At 31 December	**398,248**	**382,241**	**10,075**	**-**

Maturity Analysis

Year 1	116,792	93,327	10,075	-
Year 2	38,590	38,590	-	-
Year 3	73,402	73,402	-	-
Year 4	44,770	44,770	-	-
Onwards	124,693	132,153	-	-
	398,248	**382,242**	**10,075**	**-**
Current	116,792	93,327	10,075	-
Non-current	281,457	288,915	-	-
	398,249	**382,242**	**10,075**	**-**

35 Retirement benefits plans

35.1 Defined contribution plan

The Group operates a contributory pension scheme for the benefit of its staff in which employer and employee contribute 10%(13% for Insignia) and 8% of the employees' emoluments respectively. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total expense recognised in the income statement of N253.30 million (2020: N235.26 million) for the Group and N77.04 million (2020: N71.35 million) for the Company represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2021, contributions of N0.48 million (2020: N0.88 million) for the Group and Nil (2020:Nil) for the Company due in respect of the 2021 reporting year had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting year.

35 Retirement benefits plans - continued

35.2 Defined benefit plan

The Group sponsors funded defined benefit plans for its qualifying employees in Nigeria. The defined benefit plans are not administered by a separate fund that is legally separated from the entity.

The plans in Nigeria typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estates.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 December 2021 by Giant Consultants Limited, Fellow of the Conference of Consulting Actuaries (FRC/2013/NAS/00000001320). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Group valuation		Company valuation	
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Discount rate(s)	13.0%	8.5%	13.0%	8.5%
Expected rate(s) of salary increase	10.0%	10.0%	10.0%	10.0%
Rate of inflation	12.0%	12.0%	12.0%	12.0%

35 Retirement benefits plans (continued)

35.3 Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows.

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Service cost	N'000	N'000	N'000	N'000
Current service cost	123,337	157,503	39,223	46,817
Net interest expense	126,696	238,190	40,467	79,604
Components of defined benefit costs recognised in profit or loss	**250,033**	**395,693**	**79,690**	**126,421**
Remeasurement on the net defined benefit liability:				
Actuarial losses/(gains) arising from experience adjustments	58,291	10,153	20,910	(26,648)
Less: Deferred tax assets recognised on actuarial gains and losses	20,760	(7,324)	6,273	(7,994)
Components of defined benefit costs recognised in other comprehensive income, net of tax	**79,050**	**2,829**	**27,183**	**(34,642)**

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss. For the Group an amount of N190.60 million (2020: N299.78 million) has been included in profit or loss as cost of sales and N59.44 million (2020: N95.92 million) has been included in administration expenses in 2021. For the Company an amount of N73.18 million (2020: N116.70 million) has been included in profit or loss as cost of sales and N6.51 million (2020: N9.72 million) has been included in administration expenses in 2021.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated and separate statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:-

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
Present value of funded defined benefit	-	-
Fair value of plan assets	-	-
Funded status	-	-
Present value of unfunded defined benefit obligation	1,527,091	1,476,337
Net liability arising from defined benefit obligation	**1,527,091**	**1,476,337**

	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
Present value of funded defined benefit obligation	-	-
Fair value of plan assets	-	-
Funded status	-	-
Present value of unfunded defined benefit obligation	523,839	488,000
Net liability arising from defined benefit obligation	**523,839**	**488,000**

Movements in the present value of the defined benefit obligation in the current year were as follows:-

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	1,476,337	1,270,111
Current service cost	123,337	157,503
Interest cost	126,696	238,190
Remeasurement (gains)/losses	58,291	10,153
Benefits paid	(257,570)	(199,620)
At 31 December	**1,527,091**	**1,476,337**

	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	488,000	421,597
Current service cost	39,223	46,817
Interest cost	40,467	79,604
Remeasurement (gains)/losses	20,910	(26,648)
Benefits paid	(64,761)	(33,370)
At 31 December	**523,839**	**488,000**

35 Retirement benefits plans (continued)

35.4 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant:-

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by N128.75 million for the Group and N46.36 million for the Company (increase by N147.36 million for the Group and N53.05 million for the Company).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by N62.57 million for the Group and N23.67 million for the Company (decrease by N57.11 million for the Group and N21.57 million for the Company).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 Directors and Employees

36.1 Directors

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
Emoluments:		
Directors' sitting fees	3,625	350

	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
Emoluments:		
Directors' sitting fees	3,625	350

36.2 Employees

	Group	
	31-Dec-21	31-Dec-20
The average number of employees employed during the year:	Number	Number
Managerial and senior staff	695	670
Junior and other staff	914	949
	1,609	**1,619**

	Company	
	31-Dec-21	31-Dec-20
The average number of employees employed during the year:	Number	Number
Managerial and senior staff	133	133
Junior and other staff	338	338
	471	**471**

36 Directors and Employees (continued)

36.2 Employees (continued)

	Group	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Wages, salaries, allowances and other benefits	12,325,809	11,203,257
Pension and social benefits	253,305	236,768
Gratuity	274,375	404,364
	12,853,489	**11,844,389**

	Company	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Wages, salaries, allowances and other benefits	1,967,405	2,256,438
Pension and social benefits	77,043	71,348
Gratuity	79,690	126,421
	2,124,138	**2,454,207**

The number of highest paid employees with basic emoluments within the ranges below were:

	Group	
	31-Dec-21	**31-Dec-20**
Range (N)	**Number**	**Number**
Up to 500,000	6	19
500,001 - 1,000,000	401	435
1,000,001 -1,400,000	383	404
1,400,001 - 2,000,000	362	341
2,000,001 - Above	457	420
	1,609	**1,619**

	Company	
	31-Dec-21	**31-Dec-20**
Range (N)	**Number**	**Number**
Up to 500,000	-	-
500,001 - 1,000,000	149	149
1,000,001 -1,400,000	101	101
1,400,001 - 2,000,000	137	137
2,000,001 - Above	84	84
	471	**471**

36.3 Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Group	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Fees	**3,625**	**350**

	Company	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Fees	**3,625**	**350**

No dividend was paid or proposed to be paid in the year by the Group's Directors in respect of ordinary shares held. Presently, the Group consists of seven Directors.

36.4 Loans to related parties

No loans to related parties.

36.5 Loans from related parties

Our Shareholders have given a loan of N 8.9 billion at an interest of Libor + 1.1% per annum to support the Company in the event of any constraint in meeting obligations to our foreign suppliers.

37 Cash generated from operations

Reconciliation of profit after tax to net cash generated from operating activities:

	Group		Company	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Profit for the year	13,122,937	5,474,336	102,272	7,313,352
Adjustments for:				
Current Tax expenses in Profit and Loss	1,819,334	1,213,517	480,605	655,945
Depreciation and amortization of property, plant and equipment and intangible assets (including exchange gain/loss on Fixed Assets)	5,057,268	4,398,852	537,545	407,627
Finance cost recognised in profit or loss	13,947,942	11,950,771	2,989,660	2,747,309
Interest on government grant	1,125,927	839,845	60,157	-
Amortization of Right-of-Use Asset	367,435	303,135	56,024	13,754
Finance income recognised in profit or loss	(1,533,285)	(2,137,837)	(3,826,875)	(2,499,877)
Loss/(gain) on disposal of property, plant and equipment	47,777	(13,132)	35,990	-
Investment income	-	-	-	(7,229,977)
Exchange difference on translating foreign operation	196,579	156,756	-	-
Remeasurement of defined benefit obligation	(79,050)	(2,829)	(27,183)	34,642
Foreign Exchange gain/loss	-			
Income Tax Paid	(1,328,928)	(367,547)	(572,621)	(222,862)
Operating cash flows before movements in working	**32,743,934**	**21,815,867**	**(164,428)**	**1,219,913**
Movement in working capital:				
Right-of-use Asset	21,341	69,631	-	-
Inventories	(30,505,015)	(10,919,468)	(1,021,081)	24,906
Trade and other receivables	(14,357,801)	13,309,485	(8,309,292)	(20,430,064)
Trade and other payables	6,644,035	(2,854,319)	1,796,892	1,925,603
Other assets	(1,653,357)	(16,802,034)	(9,009,535)	(9,285)
Retirement benefit obligation	50,754	206,226	35,839	66,403
Lease liability	16,007	(236,852)	10,075	-
Deferred tax	231,004	(6,476)	99,502	(64,597)
Deferred Income not charged to P/L	79,092	(2,771,981)	2,617,535	-
Net cash generated by/ (used in) operating activities	**(6,730,005)**	**1,810,079**	**(13,944,494)**	**(17,267,121)**

38 Related party disclosures

38.1 Related party relationships (Group)

The following entities are related parties that are not members of the Group :-

Multipro Consumer Products Limited	99.999997% of its share capital owned by Multipro Singapore Pte. Ltd. (MSPL). Tolaram Africa Pte. Ltd. owns 49% share capital of MSPL and 50% share capital of Tolaram Africa Foods Pte Ltd (TAFPL). TAFPL owns 48.9936% in Dufil Prima Foods Plc.
PT Indofood Sukses Makmur Tbk	Ultimate owner of holding Company of PT Indofood Sukses Makmur Tbk has control over Platinum Stream Profit Limited which owns 48.993584% in Dufil Prima Foods Plc together with Tolaram Africa Foods Pte. Limited.
Tolaram Africa LFTZ Enterprise	Related party of Tolaram Group.

Related party relationships (Company)

De United Foods Industries Limited	Subsidiary. Dufil Prima Foods Plc owns 99.99997% of its share capital.
Northern Noodles Limited	Subsidiary. Dufil Prima Foods Plc owns 99.999990% of its share capital.
Insignia Print Technology LFTZ Enterprise	Subsidiary. Dufil Prima Foods Plc owns 99.999900% of its share capital.
Raffles Oil LFTZ Enterprise	Subsidiary. Dufil Prima Foods Plc owns 99.9990% of its share capital.
Pure Flour Mills Limited	Subsidiary. Dufil Prima Foods Plc owns 99.999990% of its share capital.
De United Foods Industries Ghana Limited	Subsidiary. Dufil Prima Foods Plc owns 100% of its share capital.
Infinity FZCO	Subsidiary. Dufil Prima Foods Plc owns 100% of its share capital.
Enriched Pte. Ltd.	Subsidiary. Dufil Prima Foods Plc owns 100% of its share capital.

38 Related party disclosures (continued)

38.2 Related party transactions

Details of transactions and outstanding balance between the Group and its related parties that are not members of the Group during the year are disclosed below:

38.2.1 Trading transactions (Group)

	Sale of goods		Purchase of goods	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Multipro Consumer Products Limited	252,202,687	135,883,312	-	-
Multipro Private Limited	20,194,769	14,240,526	-	-
PT Indofood CBP Sukses Makmur Tbk	-	-	15,610,520	13,182,045
	272,397,456	150,123,838	15,610,520	13,182,045

Analysis of outstanding balance at the reporting date:

	Due from related parties		Due to related parties	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Multipro Consumer Products Limited	24,033,811	6,791,686	194,689	185,973
Multipro Private Limited	35,406	1,656,798	-	-
Platinum Stream Profits Limited	26,589	3,162	414	-
PT Indofood CBP Sukses Makmur Tbk	-	1,927,151	339,302	-
PT Indofood Sukses Makmur Tbk	-	-	5,758,687	4,304,133
Multipro Consumer Products Limited - Non- Trade Transactions	946	-	-	-
Kellogg Tolaram Nigeria Ltd.	207,648	-	5,524	-
Tolaram Nutri Beverages Limited	64,995	14,862	-	-
ARPNL-Palm Plantation	-	-	-	55,402
PFM Apapa Haulage	-	-	71,931	55,804
MBH Power Limited	403	-	-	-
Hypo Hygiene Products Limited	17,129	-	-	-
Ishk Tolaram Foundation	133	-	-	-
Colgate Tolaram LFTZ Enterprise	187	-	-	-
Lucky Fibres Nigeria Limited	-	-	377,733	-
TG Arla Dairy Products LFT Enterprise	42,290	-	-	-
Raffles Oil Haulage	-	-	3,526	-
Tolaram Corporation PTE Ltd	-	-	83,807	-
Tolaram Africa LFTZ Enterprise	-	-	-	756,319
	24,429,539	10,393,658	6,835,613	5,357,631

38.2.2 Trading transactions (Company)

	Sale of goods		Purchase of goods	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
De United Foods Industries Limited	-	-	9,204,356	7,026,997
Insignia Print Technology LFTZ Enterprise	-	-	4,435,942	2,945,705
Multipro Consumer Products Limited	73,590,625	53,116,530	-	-
Pure Flour Mills Limited	-	-	17,684,938	12,380,141
Raffles Oil LFTZ Enterprise	-	-	10,185,914	7,957,068
	73,590,625	53,116,530	41,511,151	30,309,911

Analysis of outstanding balance at the reporting date:

	Due from related parties		Due to related parties	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Multipro Consumer Products Limited	7,374,157	2,871,168	-	21,012
De United Foods Industries Limited	26,841,045	23,020,489	1,520,836	-
PT Indofood CBP Sukses Makumur Tbk	-	-	-	-
PT Indofood Sukses Makmur Tbk	-	-	2,295,441	1,891,146
	34,215,203	25,891,656	3,816,276	1,912,158

Sales of goods to related parties are made at the Group's price list which is the fair value of goods sold. Purchases are made at market price.

38.3 Royalty and technical fees (expense)

	Group		Company	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
PT Indofood Sukses Makmur Tbk	3,215,193	2,402,357	1,320,810	973,046

The above mentioned royalty and technical fees is at the net rate of 0.5 % and 1.5% respectively of the turnover of the Indomie noodle business during the year. This is subject to 10% withholding tax and 7.5% value added tax in Nigeria (Combined gross royalty and technical fee of 2.35% and 2.46% in Nigeria and Ghana on Indomie noodle business turnover including withholding and value added taxes). For Ghana, withholding tax is 20% on Technical fee and 15% on Royalty.

39 Financial instruments

39.1 Capital risk management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimum utilization of capital. The Group's overall strategy remains unchanged from last year.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balance) and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings.

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year end is as follows:	Group		Company	
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Debt (i)	148,324,843	100,186,024	24,057,948	10,626,615
Less- Cash and bank balance	45,590,566	22,950,939	218,268	658,109
Net Debt	**102,734,278**	**77,235,085**	**23,839,680**	**9,968,506**
Equity (ii)	**56,197,450**	**42,156,984**	**15,168,150**	**14,293,061**
Gearing Ratio	**1.83**	**1.83**	**1.57**	**0.70**

i) Debt is defined as both current and non current borrowings
ii) Equity includes all capital and reserves of the Group that are managed as capital.

39.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

	Group		Company	
39.3 Categories of financial instruments	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Financial assets				
Cash and cash equivalents	45,590,566	22,950,939	218,268	658,109
Trade and other receivables	36,406,187	22,048,386	34,331,493	26,022,201
	81,996,753	**44,999,325**	**34,549,761**	**26,680,310**
Financial liabilities				
Borrowings	148,324,843	100,186,024	24,057,948	10,626,615
Trade and other payables	32,217,872	26,290,844	11,612,996	10,000,801
	180,542,715	**126,476,868**	**35,670,944**	**20,627,416**

VAT and WHT have been excluded from Trade and other payables since these are our statutory liabilities not financial liabilities.

39.4 Financial risk management objectives

The financial risk management framework is in place, where ever appropriate, to mitigate any adverse impact that may arise on the Group's reported results.

The Group's Senior Management ensures that financial risks are identified, measured and managed in accordance with Group's policies for risk.

Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. Sensitivity analysis provides the appropriate information to monitor the net underlying financial risks.

The Senior Management reviews and agrees policies for managing each of these risks which are summarised below.

The Group trades in financial instruments through the use of derivatives.

39 Financial instruments (continued)

39.5 Market risk

The market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity input prices will affect the Group's income or the value of its holding financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns. The financial instruments held by the Group that are affected by market risk are principally the non-derivative financial instruments which include trade and other receivables, cash and cash equivalents and trade and other payables.

39.5.1 Operational risk

The operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management within business unit.

39.6 Interest rate risks

The 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 interest rate risk because it has borrowed funds from commercial banks at both fixed and floating interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. 100 basis points increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates. The Group minimises its exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings.

	Group	
	31-Dec-21	**31-Dec-20**
Exposure to interest rate risk	**N'000**	**N'000**
Bank overdraft	1,432,660	811,470
Term loans	47,323,484	25,036,483
Import finance facility & commercial paper	40,127,436	38,619,575
	88,883,579	**64,467,528**

If bank prime lending rate had been 100 basis points higher and all other variables were held constant, the Group's profit or loss will be affected as follows:

	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Impact on reported profit/equity	**(888,836)**	**(644,675)**

An equal opposite impact will be reported if bank prime lending rate was 100 basis points lower.

	Company	
	31-Dec-21	**31-Dec-20**
Exposure to interest rate risk	**N'000**	**N'000**
Bank overdraft	11,705	18,282
	11,705	**18,282**

If Bank prime lending rate had been 100 basis points higher and all other variables were held constant, the Company's profit or loss will be affected as follows:

	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Impact on reported profit/loss	**(117)**	**(183)**

An equal opposite impact will be reported if bank prime lending rate was 100 basis points lower.

39 Financial instruments (continued)

39.7 Foreign currency risk management

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates arises primarily from intragroup transactions and intragroup loans. The Group entities have a treasury function that monitors exposure to foreign exchange risk.

The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows, the exchange rate for the year 2021 at the reporting date was N 445/$ (2020: N 405/$)

	Group	
	31-Dec-21	31-Dec-20
Monetary assets (denominated in USD)	N'000	N'000
Cash and bank balances	32,251,446	9,012,780
Monetary liabilities (denominated in USD)		
Borrowings	(55,371,276)	(47,779,809)
	(23,119,829)	**(38,767,029)**

	Company	
	31-Dec-21	31-Dec-20
Monetary assets (denominated in USD)	N'000	N'000
Bank balance	-	-
Monetary liabilities (denominated in USD)		
Borrowings	-	-
	-	-

39.7.1 Foreign currency sensitivity analysis

The Group and Company are mainly exposed to US Dollars because of its dollar denominated loan and trading transactions.

The below table shows the sensitivity to a 5% increase and decrease in Naira against the US Dollars. 5% represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding US Dollars denominated monetary items and adjusts their translation rate at year end for a 5% change in foreign exchange rate. The figures below indicates an increase in profit where Naira strengthens against US Dollars and vice versa.

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
Impact on reported profit/equity		
Naira strengthens by 5% against US Dollar	1,155,991	1,938,351
Impact on reported profit/equity		
Naira weakens by 5% against US Dollar	(1,155,991)	(1,938,351)

	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
Impact on reported profit/equity		
Naira strengthens by 5% against US Dollar	-	-
Impact on reported profit/equity		
Naira weakens by 5% against US Dollar	-	-

39 Financial instruments (continued)

39.8 Credit risk management

The credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its customers are continuously monitored. Credit exposure is controlled by credit limits that are reviewed and approved by the senior management annually.

The Group defines all its customers as having similar characteristics and it does not have any significant credit risk exposure to any of them.

The carrying amount of financial assets represents the Group's maximum exposure, which at the reporting date, was as follows:

	Group	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Bank balance	45,506,052	22,802,314
Trade and other receivables	36,406,187	22,048,386
	81,912,239	**44,850,700**

The carrying amount of financial assets represents the Company's maximum exposure, which at the reporting date, was as follows:

	Company	
	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Bank balance	174,425	657,815
Trade and other receivables	34,331,493	26,022,201
	34,505,918	**26,680,016**

39.9 Liquidity risk management

The liquidity risk is the risk that the Group is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. This includes the risk that the Group is unable to meet settlement obligations to the acquiring banks due to failure of an issuing bank to pay.

The Group has a trade receivable policy of an average of 30 days.

The ultimate responsibility for liquidity risk management rests with the senior management, which has established an appropriate liquidity risk management framework for the Management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

To mitigate this risk, back up liquidity facilities are in place with a syndicate consisting of high credit, quality financial institutions, in addition to the Group's own liquid investments.

39 Financial instruments (continued)

39.10 Maturity risk

The following tables show the Group's contractual maturities of financial liabilities:

	Group 31-Dec-21			
	Contractual cashflows	0-12 months	1-2 years	Over 2 years
Financial assets	N'000	N'000	N'000	N'000
Trade and other receivables	36,406,187	36,406,187	-	-
	36,406,187	**36,406,187**	**-**	**-**
Financial liabilities				
Borrowings	148,324,843	104,705,214	12,757,414	30,862,215
Trade and other payables	32,217,872	32,217,872	-	-
	180,542,715	**136,923,086**	**12,757,414**	**30,862,215**

	Company 31-Dec-21			
	Contractual cashflows	0-12 months	1-2 years	Over 2 years
Financial assets	N'000	N'000	N'000	N'000
Trade and other receivables	34,331,493	34,331,493	-	-
	34,331,493	**34,331,493**	**-**	**-**
Financial liabilities				
Borrowings	24,057,948	16,875,484	7,182,464	-
Trade and other payables	11,612,996	11,612,996	-	
	35,670,944	**28,488,480**	**7,182,464**	**-**

	Group 31-Dec-20			
	Contractual cashflows	0-12 months	1-2 years	Over 2 years
Financial assets	N'000	N'000	N'000	N'000
Trade and other receivables	22,048,386	22,048,386	-	-
	22,048,386	**22,048,386**	**-**	**-**
Financial liabilities				
Borrowings	100,186,024	63,816,199	1,079,860	35,289,965
Trade and other payables	26,290,844	26,290,844	-	-
	126,476,868	**90,107,043**	**1,079,860**	**35,289,965**

	Company 31-Dec-20			
	Contractual cashflows	0-12 months	1-2 years	Over 2 years
Financial assets	N'000	N'000	N'000	N'000
Trade and other receivables	26,022,201	26,022,201	-	-
	26,022,201	**26,022,201**	**-**	**-**
Financial liabilities				
Borrowings	10,626,615	626,615	10,000,000	-
Trade and other payables	10,000,801	10,000,801	-	-
	20,627,416	**10,627,416**	**10,000,000**	**-**

39.11 Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

39 Financial instruments (continued)

39.12 Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimum utilisation of capital.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balance) and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings.

The Group is not subject to any externally imposed capital requirements.

Capital commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Group's state of affairs have been taken into consideration in the preparation of these financial statements.

40 Deposits/Export Expansion Grant (EEG)

Included in trade and other receivables (Note 25) is an amount of N10.71 billion (2020: N10.61 billion) representing the Export Expansion Grant (EEG) receivable from the Nigerian Export Promotion Council (NEPC), an agency of the Federal Government of Nigeria. The Federal Government has not communicated or indicated unwillingness to honor the obligations. The Federal Government has instead demonstrated its commitment to pay all the verified claims under the Export Expansion Grant Scheme through the establishment of a Promissory Note Program. This program is being managed by the Debt Management Office (DMO).

The Company has received certificates for N2.05 billion termed as Negotiable Duty Credit Certificate (NDCC) while certificates for N8.63 billion are yet to be received. Promissory notes are recorded as a sovereign liability i.e. sovereign note backed by the full faith and credit of the Federal Government of Nigeria. They have the full support of the Federal Government and are classified by the Central Bank of Nigeria as 'liquid asset'. They mature on a predetermined future date but in the meantime are transferable and can be traded if the recipient so wishes on the FMDQ/OTC market and the Nigerian Stock Exchange.

The debt management office is in the process of re-verifying all EEG claims. Of the outstanding balance of N8.63 billion, N4.6 billion relates to claims between 2007 to 2016 of which EEG in the form of promissory notes equivalent to N1.3 billion and N1.5 billion were approved in March and October 2018 respectively but not yet disbursed while N3.9 billion relates to the period 2017 to 2020. In 2019, EEG Implementation committee in a letter dated 22nd May 2019 commenced the approval of promissory notes in lieu of outstanding claim for 2017 for the sum of N0.4 billion of which the sum of N0.072 billion was utilized in the settlement of taxes in 2019. We have submitted all necessary papers as per the timeline to the NEPC for 2019 amounting to claim of N0.9 billion which is under processing. We have also recognised the sum of N 0.4 billion related to 2020 financial year. This is a continuous and ongoing process and we have every cause to believe that the outstanding sum of N1.9 billion being balance for the period 2007 to 2016 will be cleared for participation in due course. It is therefore our firm belief that the outstanding amounts in the Company's Annual Accounts as at 31st December, 2021 will be settled and commitments honored by the Federal Government of Nigeria.

41 Contingent liabilities and contingent assets

The Company has given bank guarantee amounting to N 585.77mn to obtain a loan from FCMB for Pure Flour Mills Limited and N3bn to obtain a loan from NEXIM for De United Foods Industries Limited

Loan guarantee amounting to N0.55 billion to obtain a loan from Bank of Industry for Pure Flour Mills Limited.

For the Group, De United Foods Industries Limited has given customer guarantees of N 399.36 mn for oil and N 5.69bn for bank guarantees.

The Company has given cross guarantee for various facilities taken by its subsidiaries from Banks. The subsidiaries has given cross guarantee for facility taken by the Company from Bank.

De United Foods Industries has unconfirmed letter of credit of 3.5 bn Naira as at 31st Dec'21

For the Group, Pure Flour Mills Limited has outstanding bank guarantee to Shell Nigeria Gas Limited of N50.8mn as at 31st December,2021.

For the Group, Northern Noodles Limited has outstanding bank guarantee to Bank of Industry Limited of N 1.23bn as at 31st December,2021.

De United Foods Industries has outstanding legal cases amounting to N 408 mn.

42 Events after the reporting period

There were no material events after the reporting date, which could have had material effects on the state of affairs of the Enterprise as at 31 December 2021 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

43 Comparative figures

Certain comparative figures have been reclassified and restated in line with the presentation in the current year for a more meaningful comparison. There was no material impact on business sales volumes of the Company and the Group on account of COVID 19.

44 Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 24 March, 2022.

DUFIL PRIMA FOODS PLC

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	2021 N'000	%	2020 N'000	%
Revenue	306,757,285		225,274,616	
Other gains or (losses)	1,812,479		(6,096,647)	
Investment and finance income	1,548,048		2,148,801	
	310,117,812		**221,326,769**	
Bought in materials and services:				
- Local	(112,019,026)		(71,419,855)	
- Imported	(148,885,662)		(113,355,555)	
VALUE ADDED	**49,213,124**	**100**	**36,551,359**	**100**
Applied as follows:				
To pay employees:				
Salaries, allowances and social benefits	12,853,489	27	11,844,389	32
To pay government:				
Taxation	1,819,334	4	1,213,517	3
To pay providers of capital:				
Finance cost	15,073,869	31	12,790,616	35
To provide for replacement of assets and development:				
- Depreciation and amortisation	5,610,722	11	4,891,723	13
- Amortisation of Right-of-Use Asset	367,435	1	303,135	1
- Deferred taxation	365,338	1	33,643	-
- Profit for the year	13,122,937	27	5,474,336	15
	49,213,124	**100**	**36,551,359**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, government, providers of capital, shareholders and that retained for future creation of more wealth.

DUFIL PRIMA FOODS PLC

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Company	2021 N'000	%	2020 N'000	%
Revenue	73,590,625		53,116,530	
Other gains or (losses)	455,032		(543,439)	
Investment and finance income	3,829,592		9,732,962	
	77,875,249		62,306,053	
Bought in materials and services:				
- Local	(71,431,619)		(48,770,461)	
- Imported	-		-	
VALUE ADDED	**6,443,630**	**100**	**13,535,592**	**100**
Applied as follows:				
To pay employees:				
Salaries, allowances and social benefits	2,124,138	33	2,454,207	18
To pay government:				
Taxation	480,605	7	655,945	5
To pay providers of capital:				
Finance cost	3,049,817	47	2,747,309	20
To provide for replacement of assets and development:				
- Depreciation and amortisation	537,545	8	407,627	3
- Amortisation of Right-of-Use Asset	56,024	1	13,754	-
- Deferred taxation	93,230	2	(56,603)	-
- Profit for the year	102,272	2	7,313,352	54
	6,443,630	**100**	**13,535,592**	**100**

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, government, providers of capital, shareholders and that retained for future creation of more wealth.

DUFIL PRIMA FOODS PLC

FINANCIAL SUMMARY (GROUP)

31 DECEMBER	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
ASSETS EMPLOYED					
Property, plant and equipment	63,466,227	57,710,532	50,529,215	45,757,017	35,145,616
Goodwill	608,910	608,910	608,910	608,910	608,910
Intangible assets	-	-	-	415	4,606
Other assets	-	5,983	1,249,854	326,084	175,045
Lease liability	(281,457)	(288,915)	(387,049)	-	-
Right-of-Use Assets	1,005,153	972,978	1,313,427	-	-
Net working capital	47,385,230	26,645,472	17,860,881	8,986,860	12,434,931
Borrowings (non current)	(43,619,629)	(36,369,825)	(30,234,938)	(20,799,028)	(20,576,908)
Deferred income	(9,654,362)	(4,697,287)	(3,054,398)	(1,720,660)	(846,340)
Retirement benefit obligation	(1,527,091)	(1,476,337)	(1,270,111)	(1,037,808)	(846,294)
Deferred tax liability	(1,185,531)	(954,527)	(961,003)	(939,049)	(843,423)
	56,197,450	**42,156,984**	**35,654,788**	**31,182,741**	**25,256,143**
CAPITAL AND RESERVES					
Share capital	3,376,667	3,376,667	3,376,667	3,376,667	3,376,667
Retained earnings	43,920,750	30,680,289	32,278,095	27,806,053	21,879,460
Shareholders Loan	8,900,000	8,100,000	-		
Non controlling interest	33	28	26	21	16
Shareholders' funds	**56,197,449**	**42,156,984**	**35,654,788**	**31,182,741**	**25,256,143**
REVENUE AND PROFITS					
Revenue	306,757,285	225,274,616	208,113,028	206,173,035	171,751,766
Profit before taxation	15,307,609	6,721,496	9,148,005	13,737,604	23,166,491
Profit after taxation	13,122,937	5,474,336	8,976,284	13,315,808	22,470,737
Per share data (Naira):					
Earnings	1.94	0.81	1.33	1.97	3.33
Dividend	0.49	-	1.07	1.67	1.67
Net assets	8.32	6.24	5.28	4.62	3.74

Note:

i) Earnings per share are based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

ii) Dividend per share is calculated based on dividend (both interim and final) declared for the respective year and the number of issued and fully paid ordinary shares at the end of each financial year.

iii) Net assets per share are based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

DUFIL PRIMA FOODS PLC

FINANCIAL SUMMARY (COMPANY)

31 DECEMBER	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
ASSETS EMPLOYED					
Property, plant and equipment	3,710,685	3,064,868	3,384,642	2,881,532	2,991,947
Investment in subsidiaries	5,441,942	5,441,942	5,441,942	1,829,667	1,829,667
Other assets	-	-	6,867	20,632	-
Net working capital	16,401,186	16,887,038	8,322,910	12,137,087	11,886,484
Borrowings (non current)	(7,182,464)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Deferred income	(2,177,319)	-	-	-	-
Retirement benefit obligation	(523,839)	(488,000)	(421,597)	(339,791)	(273,994)
Deferred tax liability	(719,166)	(619,665)	(684,262)	(631,909)	(689,353)
Right-of-Use Assets	217,125	6,878	20,632	-	-
	15,168,152	**14,293,061**	**6,071,134**	**5,897,218**	**5,744,751**
CAPITAL AND RESERVES					
Share capital	3,376,667	3,376,667	3,376,667	3,376,667	3,376,667
Retained earnings	2,891,483	2,816,394	2,694,467	2,520,551	2,368,084
Shareholders' loan	8,900,000	8,100,000	-	-	-
Shareholders' funds	**15,168,150**	**14,293,061**	**6,071,134**	**5,897,218**	**5,744,751**
REVENUE AND PROFITS					
Revenue	73,590,625	53,116,530	48,744,157	49,426,983	48,418,675
Profit before taxation	676,107	7,912,694	4,218,008	7,789,748	17,086,571
Profit after taxation	102,272	7,313,352	4,095,082	7,584,584	16,626,245
Per share data (Naira):					
Earnings	0.02	1.08	0.61	1.12	2.46
Dividend	-	-	-	0.06	-
Net assets	2.25	2.12	0.90	0.87	0.85

Note:

i) Earnings per share are based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year as mentioned in note 27.

ii) Net assets per share are based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year as mentioned in note 27.

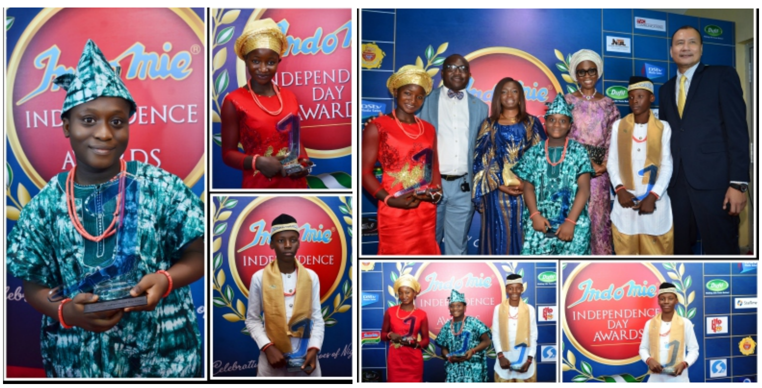
DUFIL REWARDS THREE WINNERS FROM THE 13TH EDITION OF THE INDOMIE INDEPENDENCE DAY AWARD WITH ONE MILLION NAIRA SCHOLARSHIPS EACH

L-R: 2021 Indomie Independence Day Award (IIDA) Social Bravery Category winner, Favour Sunday; Group Corporate Communications and Event Manager, Dufil Prima Foods, Tope Ashiwaju; Her Excellency, the First Lady of Lagos State, Dr.Ibijoke Sanwo-Olu, 2021 IIDA Intellectual Bravery category winner, Joshua Agboola; Her Excellency, the First Lady of Ogun State, Bamidele Abiodun; 2021 IIDA Physical Bravery category winner, Elijah Daniel Emenka and Chief Executive Officer, Dufil Prima Foods, Mr. Adhi Narto at the 2021 IIDA event held in Lagos.

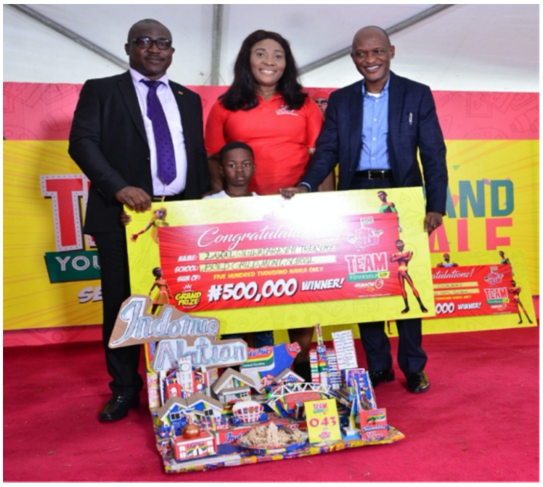
Dufil Prima Foods Plc, makers of Indomie Instant Noodles, in continuation of its renowned Corporate Social Responsibility (CSR) initiative for children, has rewarded three more heroes as winners of the 2021 Indomie Independence Day Awards (IIDA).

IIDA is a corporate social responsibility initiative from the stable of Dufil Prima Foods, the makers of Indomie Instant Noodles. The award, which began in 2008, is geared towards recognising and celebrating children below the age of 15 who have exhibited extraordinary acts of heroism in the face of danger or societal challenges. The IIDA initiative has so far benefited 42 Nigerian children who have shown exemplary character and bravery.

During this year's award, which took place in Lagos, Master Joshua Agboola, Master Elijah Daniel Emenka and Miss Favour Sunday, won the Intellectual, Physical and Social Bravery categories of the award respectively. They went home with N1,000,000.00 (One Million Naira) scholarships each.



INDOMIE REWARDS CREATIVITY IN NIGERIAN CHILDREN AS WINNERS EMERGE IN INDOMIE 'TEAM YOURSELF UP' SEASON 6 COMPETITION



An array of remarkable creativity was on display at the National Museum, Onikan in Lagos recently as Dufil Prima Foods, makers of Nigeria's number one noodles brand – Indomie Instant Noodles showcased and rewarded winners of the Indomie Fan Club (IFC), 'Team Yourself Up' Competition Season 6 for their show of ingenuity.

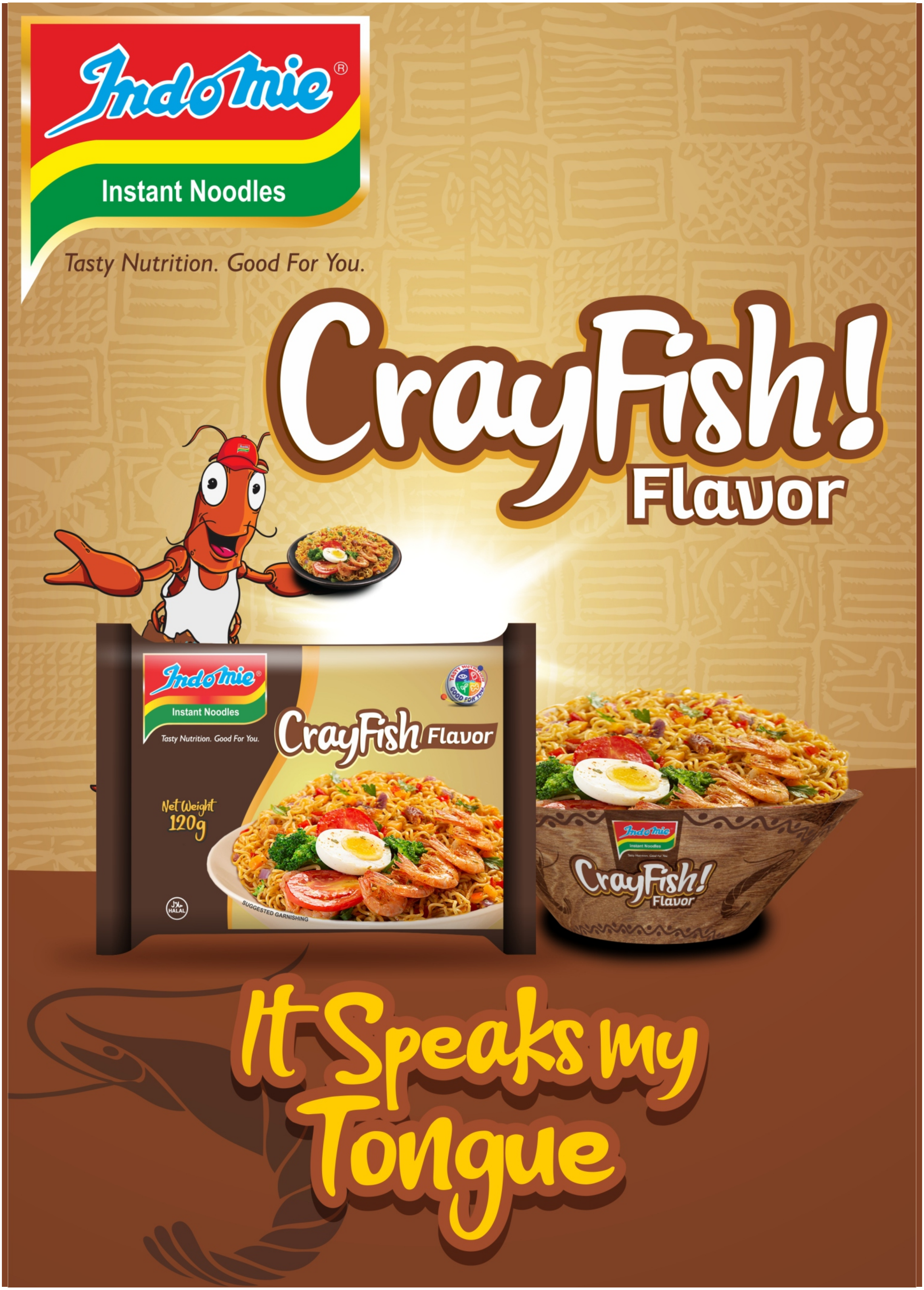
'Team Yourself Up' competition is one of the many ways the Indomie brand engages and nurtures creativity in thousands of Nigerian children by providing a platform for them to express their creative talents and abilities.

Several members of the Indomie Fan Club exhibited their special works during the special arts and crafts exhibition of the *'Indomie Team Yourself Up'* competition, as kids between the ages of 5 to 12 years from various schools across the country with their unique creations made from wrappers, cartons or both of their favorite Indomie noodles displayed to stand the chance of being rewarded with several exciting prizes.

The artworks built with Indomie cartons and wrappers include motors, aeroplanes, helicopters, houses of different designs, stadia, dining tables with families, train stations, airports, cooking utensils, rockets, climate change castles, trucks, and many more.

Indomie Team Yourself Up' competition was designed to boost the confidence of kids in their innate ability and afford them a platform to express their creativity. We received over 40,000 entries of several unique creations nationwide, and the event was intended to display these numerous works to the public and also allow for the selection of the best works through a voting system.

After the votes were cast for the top 100 entries received, the grand prize reward of N500,000 went to Lawal Oluwadarasimi Treasure from Bold Child Montessori School, Lagos. Ucheama Aleria Kamdilichukwu won the 1st runner-up position with the sum of N100, 000 while Jesufemi Paul and Ezenwa Chibuike Godswill won the 2nd and 3rd runner-up positions with the sum of N75,000 and N50,0000 respectively.


Indomie
Instant Noodles
Tasty Nutrition. Good For You.
CrayFish!
Flavor
Indomie
Instant Noodles
Tasty Nutrition. Good For You.
CrayFish Flavor
Net Weight
120g
SUGGESTED GARNISHING
HALAL
CrayFish!
Flavor
It Speaks my
Tongue

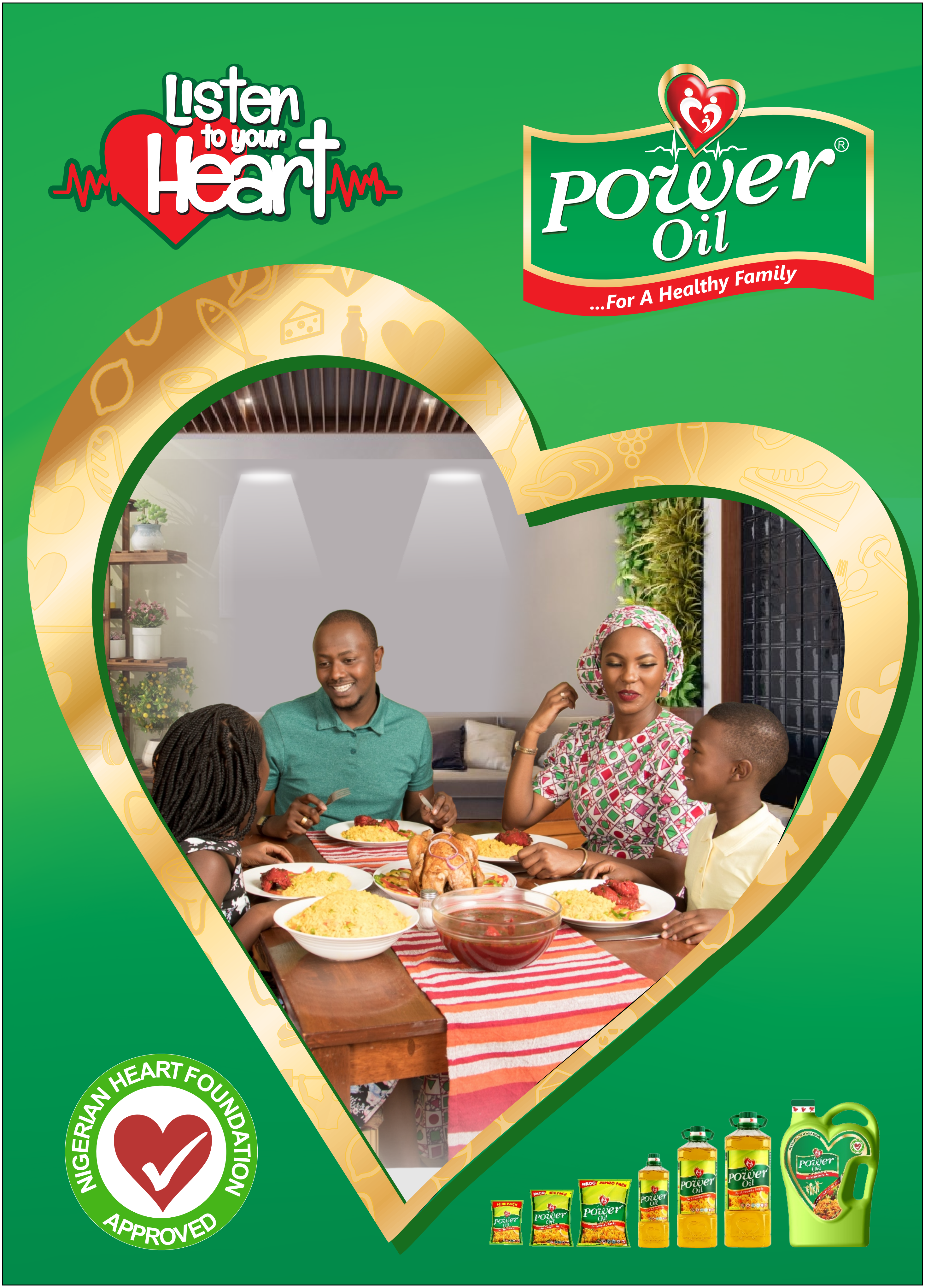
DUFIL PRIMA FOODS PLC

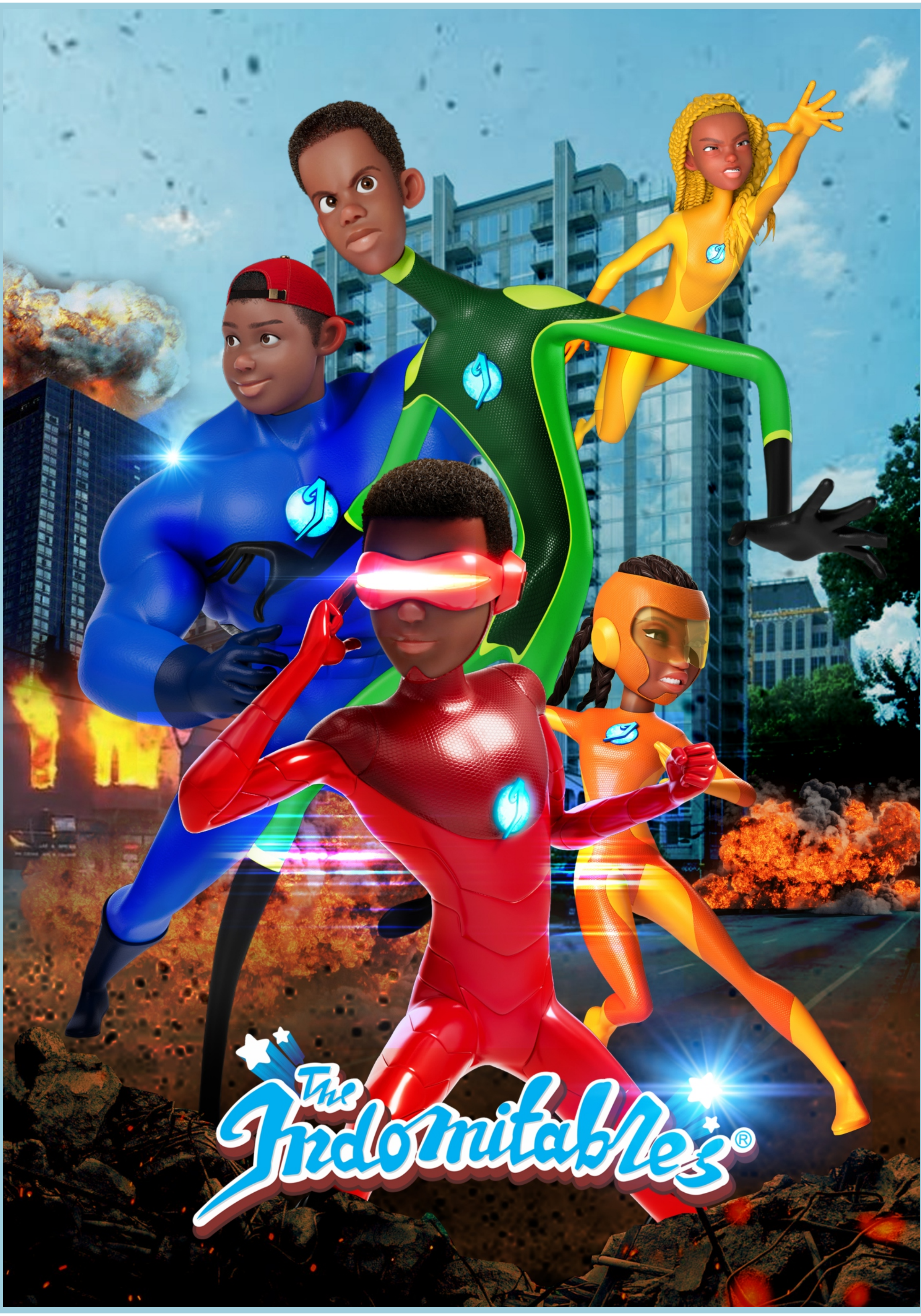
PROXY FORM

ANNUAL GENERAL MEEETING TO BE HELD ON THE 10th DAY OF MAY, 2022 AT 44 ERIC MOORE ROAD SURULERE, LAGOS AT 11.00 AM.

	RESOLUTION	FOR	AGAINST	VOTE WITHHELD
I/WE ________________________ Being a Member(s) of Dufil Prima Foods Plc hereby appoint ____________________________ **(Capital letters please) Or failing him the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on the 10th day of May, 2021. Dated this_____day of _______ 2022 Signature(s) :……………………….. (For Corporations) The Common Seal of: ____________________________ Was hereunto affixed in the presence of: ___________ _______________ Director Director/Company Secretary (For Authorised Representatives/ Attorney) Name:………………………………… Signature:…………………………… For and on behalf of: _____________________________	<u>ORDINARY BUSINESS</u> 1.To declare a Final Dividend 2. To re-appoint the Auditors and authorize the Directors to fix the remuneration of Auditors 3.To elect/re-elect members of the Audit Committee <u>SPECIAL BUSINESS</u> 1. To further extend the period for the completion of the issuance of a Naira-denominated bond and other debt issuance programme to refinance the existing borrowing of the Company and its subsidiary companies whose Financial Statements are consolidated with the Financial Statements of the Company ("Group"). 2. To grant a higher limit of the borrowing powers of the Directors up to 5 times of the total equity of the Company and its subsidiary companies whose Financial Statements are consolidated with the Financial Statements of the Company ("Group"), in respect of monies borrowed by the Group for a further period of one year or till the next Annual General Meeting of the Company, whichever is later.			

IF YOU ARE UNABLE TO ATTEND THE MEETING **A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to appoint a proxy. This form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.** **Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy. But if you wish, you may insert in the blank space (marked**) the name of any person whether a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.** **Please sign the form and post it to reach the Company Secretary's Registered Office not less than 48 hours before the time of the Meeting. If executed by a corporation the proxy form should be sealed with the Common Seal of the Company or the hand of an Officer or Attorney so authorised. In the case of Joint Holder, the signature of any of them will suffice, but the names of all joint holders should be stated.** **<u>SPECIAL NOTES</u>** **Please note that in accordance with Article 61 of the Articles of Association of the Company, the quorum for the AGM is eleven persons present in person or by proxy.** **In accordance with Lagos State Covid-19 Regulations, not more than 40 persons in total shall be admitted to the venue of the meeting. All other Covid-19 protocols, regulations and specifications shall be strictly enforced by the Company.**				


Listen to your Heart
Power® Oil
...For A Healthy Family
NIGERIAN HEART FOUNDATION
APPROVED


The Indomitables®