



FrieslandCampina 

FrieslandCampina WAMCO Nigeria PLC

2021 Annual Report & Accounts



Nourishing consumers
(everyone, everyday, everywhere)



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Financial highlights

	2021 ¥'000	2020 ¥'000	Increase/ (Decrease)
Revenue	268,430,580	199,527,906	35%
Profit before income tax	12,702,741	14,939,249	(15%)
Profit for the year	7,585,666	8,778,886	(14%)
Share capital	488,168	488,168	0%
Total equity	26,334,156	26,290,913	0%

Per share data

	2021	2020	Increase/ (Decrease)
Number of 50k ordinary shares	976,335,936	976,335,936	0%
Basic earnings	7.77	8.99	(14%)
Interim dividend paid	1.10	-	100%
Final cash dividend proposed	4.23	6.74	(37%)
Bonus share issue	0.50	-	100%
Number of full-time employees	752	768	(2%)

FrieslandCampina celebrates '150 years from grass to glass'



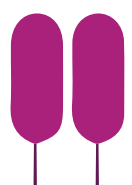
For 150 years, FrieslandCampina has been providing millions of consumers all over the world with valuable nutrients from dairy products.

Although the cooperative history of FrieslandCampina goes back to 1871, we understand that today, the conditions are completely different from 150 years ago. The world population is growing rapidly, hence there is an increased need for nutritious and affordable foods.

The combined craftsmanship of our member farmers and the expertise of our employees (from the quality of the grassland on which the cows graze to marketing tasty and healthy dairy products) ensures our products are produced in a sustainable manner now and for generations to come.

Our anniversary themes: heritage, quality, sustainability, innovation; and our purpose, *nourishing by nature*, are the fundamentals of our business.



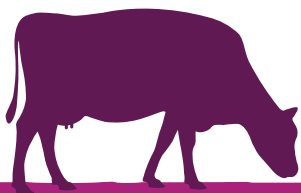


heritage

A 150-year heritage of craftsmanship and expertise

We are proud of our history, which dates back to 1871. The cooperative history of FrieslandCampina started when a group of farmers realized they would be stronger if they worked together. They took ownership of the chain from grass to glass. Today, the chain from 'grass to glass' is still the core of FrieslandCampina.

*With our strong brands, we have
been adding value to the lives of
people through our purpose,
nourishing by nature*



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting of FrieslandCampina WAMCO Nigeria PLC will hold at Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja-Lagos, Nigeria at 11:00am on Thursday, 26 May, 2022, to transact the following business:

ORDINARY BUSINESS

1. To lay before the meeting the Audited Accounts for the financial year ended 31 December 2021, the Report of the Directors, External Auditors and the Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To disclose the remuneration of Managers of the Company.
6. To elect members of the Audit Committee.

SPECIAL BUSINESS

7. Increase in Share Capital

To consider and, if thought fit, pass, with or without amendment, the following resolution as a special resolution:

That the share capital of the Company be and is hereby increased from ₦500,000,000 (five hundred million Naira only) made up of 1,000,000,000 (one billion) ordinary shares of 50 kobo each to ₦976,335,936 (nine hundred and seventy six million, three hundred and thirty five, nine hundred and thirty six Naira) by the creation of 952,671,872 ordinary shares of ₦0.50 (Fifty kobo) each, the new shares created ranking parri-passu in all respects with the existing ordinary shares in the share capital of the Company, and the new shares to be created be registered with the Securities & Exchange Commission and consequently that the Memorandum of Association of the Company be amended accordingly.

8. Bonus Issue

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

That following the recommendation of the Directors pursuant to Article 39 of the Company's Articles of Association, the sum of ₦488,167,968 be credited from the Company's retained earnings account and capitalised as 976,335,936 ordinary shares of 50 kobo each by way of bonus shares in the ratio of one new share for every one share - (one for one; 1:1) - held by members whose names appear in the register of members at the close of business on 28 April 2022; and the shares so allotted shall be treated for all purposes as capital and not as income and shall rank parri-passu with the existing shares of the Company.

9. **Amendment of the Memorandum of Association**
Pursuant to the increase in the share capital of the Company, the Memorandum of Association of the Company be and is hereby amended by:

deleting clause 6 and substituting it with the following new clause:

"That the share capital of the Company is ₦976,335,936 divided into 1,952,671,872 ordinary shares of 50k each"

10. To fix the remuneration of the Directors.

Notes

a. Proposed bonus issue

Under the provisions of the Companies and Allied Matters Act 2020 ("CAMA"), Section 124 prescribes a minimum "issued share capital" for all companies registered in Nigeria. The Companies Regulations 2021 provides further clarity on the requirement of share capital and directed that all companies in existence comply with the requirement of minimum issued share capital; implying that all companies could no longer hold unissued shares.

The Corporate Affairs Commission ("CAC") issued a circular on 16 April, 2021, directing all companies to comply with the new provisions of CAMA no later than 31 December, 2022. According to the notice, "...any share capital of a company that shall remain unissued after 31 December, 2022, shall not be recognized as forming part of the share capital of the company until the share capital of the company is fully issued or reduced accordingly."

Summary of the directive

All existing companies are - in line with the definition of "Share Capital" in Section 868 of CAMA as "the issued share capital of a company at any given time" - advised that any share capital of a company that shall remain unissued after 31 December, 2022, shall not be recognized as forming part of the share capital of the company until the share capital of the company is fully issued or reduced. Non-compliance on or before the deadline will attract the applicable penalty prescribed under CAMA and the Companies Regulations 2021.

Currently, FrieslandCampina WAMCO Nigeria PLC has some unissued shares:

- A. Share capital
1,000,000,000 ordinary shares
- B. Issued share capital
976,335,936 ordinary shares
- C. Unissued share capital
23,664,064 ordinary shares

The proposal

In compliance with the Regulation, the Board of Directors, subject to shareholders approval, are proposing an increase in the share capital and subsequently a 1:1 bonus share issue to shareholders.

Notice of Annual General Meeting continued

This approach will not only ensure compliance with the CAC Regulation, but also reward shareholders by issuing additional (bonus) shares. The proposal will increase the share capital to 1,952,671,872 ordinary shares of ₦0.50K each.

Impact on shareholders

The transaction will increase the number of shares in issue. Shareholders will receive additional shares.

b. Proxies

A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member of the Company. To be valid for the AGM, a duly completed proxy form must be received in the office of the Registrar, First Registrars and Investor Services Limited, No. 2, Abebe Village Road, Iganmu, Lagos State or sent by e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com, not later than Tuesday, 24 May, 2022.

c. Live streaming of the AGM

The AGM will be streamed live. This will enable shareholders and other relevant stakeholders who will not be attending the meeting physically to be a part of the proceedings. All shareholders as of the above date, may log into the AGM via the link made available on the Company's website and also to vote via Toll Free telephone lines, which would be communicated by the Registrar. Shareholders are highly advised to use the digital medium provided for participation and voting at the AGM.

d. Closure of register

Notice is hereby given that the Register of Members and Register Books of the Company will be closed from Friday 29 April 2022 to Thursday 5 May 2022, both dates inclusive, to enable the Registrars to prepare for the payment of dividend.

e. Dividend

If the dividend recommended by the Directors is approved, it will be paid electronically on Friday, 27 May 2022 to shareholders whose names are registered in the Company's Register of Members at the close of business on Thursday, 28 April, 2022 and who have completed the e-dividend registration and mandated the Registrar to pay their dividend directly into their bank accounts in compliance with the directives of Securities and Exchange Commission.

f. Nominations for the Statutory Audit Committee

In accordance with Section 404(6) of the Companies and Allied Matters Act (CAMA) 2020 any Shareholder may nominate another Shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

g. Unclaimed dividend

Several dividend warrants remain unclaimed or are yet to be presented for payment or returned to the Company for revalidation by some Members. A list of such Members will be circulated with the Annual Report and Financial Statements. Members affected are advised to complete the e-dividend registration or write to the Company's Registrars, at First Registrars and Investor Services Limited, Plot 2, Abebe Village Road, Iganmu Lagos.

h. E – Dividend

Shareholders are hereby reminded to open bank accounts, Stock Broking accounts and CSCS accounts for the payment of dividend. A detachable application form for e-dividend is attached to the Company's Annual Report to enable all shareholders furnish particulars of their accounts to the Registrars (First Registrars and Investors Services Limited) as soon as possible. We request our shareholders to use the e-dividend payment portal that will serve as an online verification and communication medium for e-dividend mandate processing through the new e-dividend Mandate Management System jointly introduced by the Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Inter-Bank Settlement Systems Plc and the Institute of Capital Market Registrars.

i. Rights of shareholders to ask questions

Shareholders have the right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions should be addressed to the Company Secretary and submitted to the registered office of the Company or via the email address: investor.relations@frieslandcampina.com at least a week before the meeting.

j. Electronic version of the Annual Report and Accounts

Electronic version (e-copy) of the 2021 Annual Report and Accounts is available online for viewing and downloading on the Company's website: www.frieslandcampina.com.ng and Registrars' website: www.firstregistrarsnigeria.com. Shareholders who have updated their records with their email address will also receive the e-copy of the document.

By order of the Board



Olubukunola Olateru, FCIS (Mrs.)
FRC/2018/1CSAN/00000017968
Company Secretary/Legal Adviser
Lagos, Nigeria

Dated this 31st day of March, 2022



Chairman's statement

Mr. Jacobs Moyo Ajekigbe, OFR
Chairman

Distinguished shareholders, members of the Board of Directors, representatives of regulatory agencies, ladies and gentlemen. It gives me great pleasure to welcome you all to the 49th Annual General Meeting of our Company; and to present to you the Annual Report and Financial Statements of the Company for the year ended 31 December 2021.

I will start with some brief comments on the macroeconomic environment and how it has impacted the performance of our Company. I will also outline our major achievements, the challenges we face, and conclude with the outlook for 2022.

Economic and business environment in 2021

The operating environment in 2021 was extremely challenging for manufacturing companies in Nigeria.

The negative effects of the Covid-19 pandemic on the global economy continued, albeit at a much-reduced rate. Vaccines were introduced towards the end of 2020 and are widely credited for their role in reducing Covid-19 deaths and new infections. However, two variants, Delta and Omicron, that were resistant to the vaccines took the world by surprise in 2021 and disrupted the economic recovery that had started.

Global output expanded by 5.5% in 2021, against a contraction of 3.5% in the previous year. It was however a fragile recovery as the global economy faced significant headwinds, especially with the new wave of Covid-19 infection, persistent labour market challenges, supply chain disruptions, and inflationary pressures. In addition, the effects of monetary and fiscal stimuli introduced by most advanced economies in the wake of the Covid-19 pandemic had begun to wane.

The Nigerian economy grew by 3.4% in 2021 against a negative growth of 1.9% in 2020. The recovery was however not sufficient to return the economy to the pre-pandemic levels. Nevertheless, the economy hurdled the recession and remained the largest in Africa.

In 2021, the average spot price of Nigeria's reference crude oil, the Bonny Light, was US\$71 per barrel, 69% higher than its average price in the previous year. Unfortunately,

this did not translate into higher earnings for the country as crude oil production shrunk by 10% to 1.6 million barrels per day.

Foreign Exchange (FX) rates went up in 2021 from ₦379/\$ to ₦418/\$ at year-end due to the scarcity which had persisted since 2020. The scarcity of FX led to increased pressure on sourcing at the Investors & Exporters window, thus driving up input costs for companies like ours, whose operations depended on imports and high FX requirements.

After eight months of decline, Nigeria's annual inflation rate rose to 15.63% in December 2021. This is 0.13 per cent points higher than the rate recorded in 2020. Consumer demand was however resilient despite the rise in prices with consumer spending accounting for 76% of GDP compared with 72% in 2020.

Unemployment and the number of people living in extreme poverty also picked up in 2021. A total of 69 million people (compared with 65 million in 2020) or one-third of the entire population were extremely poor, going by the World's Bank US\$1.90 a day benchmark income. In 2021, the unemployment rate rose to 35.0% from 33.3%. Youth unemployment at 55% outpaced headline unemployment by 20% and was a major cause for concern.

In 2021, manufacturing activities were negatively impacted by forex shortages and high cost of raw material imports while commercial activities were hampered by banditry and kidnappings, which restricted sales penetration into the hinterlands.

Operating results and performance

The Company achieved strong volume and value growth compared with the previous year despite the difficult operating environment, strong competition and influx of value-for-money propositions.

We scaled up our Revenue Growth Management (RGM), omni-channel approach and redistribution to stay agile and competitive. Investments in brands continued through integrated initiatives, optimizing market spend with an increased focus on physical availability. The combination of solid brands and route-to-market (RTM) distribution strategy sustained our leadership position and delivered significant top-line growth. As a result, turnover increased

Chairman's statement continued

by 34.5% from ₦199.5 billion in 2020 to ₦268.4 billion in 2021. Profit Before Tax (PBT) declined by 15% from ₦14.9 billion in 2020 to ₦12.7 billion in 2021 due to high input costs and Naira devaluation with its attendant transactional foreign exchange impact.

Cost of sales as a percentage of turnover increased to 84.3% in 2021 from 79.8% in 2020. This was mostly attributable to higher cost of dairy raw materials, global supply chain disruptions, and transactional FX impact caused by a weakened Naira. Overheads to turnover ratio decreased to 1.9% from the 2.8% recorded in the previous year. This is attributable to planned savings initiatives and cost-containment measures put in place to manage rising inflation and cost impact.

Net finance cost was higher compared with the previous year. This was driven by the impact of Naira devaluation on USD loan and non-deliverable forwards in respect of intercompany loans and currency swap transactions. Profit After Tax (PAT) for the year decreased by 13.8% from ₦8.8 billion in 2020 to ₦7.6 billion in 2021.

Dividend

In accordance with the Company's Policy to pay dividends of not less than 75% of its PAT to its shareholders, the Board of Directors is proposing a total dividend of ₦5.83 per ₦0.50 ordinary share. An interim dividend of ₦1.10 was paid in 2021, and a final dividend of ₦4.73 per ₦0.50 share is recommended for your approval. The final dividend will be structured as follows: final cash dividend of ₦4.23 per share plus a bonus share to be issued to existing shareholders on a one-for-one basis i.e., one ordinary share with a nominal value of ₦0.50 for each share owned.

The bonus share ensures compliance with the Companies and Allied Matters Act 2020 effective 31 December 2022 that all shares in a company are required to be issued.

If the proposed dividend is approved, the cash dividend less withholding tax at the appropriate rate will become payable on the day after the Annual General Meeting (AGM).

Once again, the Board wishes to remind shareholders of the drive for the implementation of electronic dividend and electronic bonus system in line with the directive of the Securities and Exchange Commission to eradicate the incidence of unclaimed dividends. Shareholders are hereby requested to complete the e-dividend/e-bonus Application Form in the Annual Report and submit the completed forms to the Company's Registrar, First Registrars and Investors Services Limited.

Operations

During the year under review the Company made new investments in plant and machinery across the three factories in Ogba to increase production volumes and improve operational efficiency.

A new line was installed in the Can factory to produce cans for our powder products thus removing the need for purchase of cans from external suppliers. An end-of-line robotic solution was installed in the Powder factory. This ensures that products are well packaged, and that the operation is safer through reduction in forklift movement. In the Evaporated milk factory, a lid supply line was

installed to minimize losses, improve filler efficiency, workplace ergonomics and the safety of our staff.

Another major achievement was the acquisition of a mobile dairy factory that will be used to process fresh milk from our local dairy farmers. The factory was formally launched in The Netherlands by our Global CEO in the presence of the Nigeria Ambassador to the Kingdom of the Netherlands. The factory has been installed upon arrival in Nigeria and is undergoing trials and approvals ahead of commissioning.

Our factories have continued to show improved performance across all indices. We achieved 13% improvement in conversion cost and 2.9% improvement in overall equipment effectiveness. Powder production grew by 23% and Evap production grew by 18% over prior year's levels; ably supported by the recently acquired Ikorodu factory. Overall, total volume of products increased by 7% compared with previous year. Capacity utilization improved by 9% while electricity and water efficiencies improved by 2%, and 25% respectively.

We continued to maintain full adherence to Covid-19 guidelines and protocols in our factories; and about 85% of our employees have been vaccinated.

Post-acquisition developments at Ikorodu factory

Post-acquisition, we have continued to make further investments at our factory in Ikorodu. A new homogenizer, which doubled the facility's milk processing capacity was installed. The factory has been completely demarcated from the premises of its former owners, and now has its own access road and gate. We have also installed a fire hydrant system and upgraded the staff canteen and clinic.

The factory was formally opened in September 2021 with a ceremony attended by the Lagos State Honorable Commissioner for Commerce and Industry, Dr. (Mrs.) Lola Akande.

Supply chain challenges and initiatives

In the year under review our supply chain was negatively impacted by the effect of Covid-19 pandemic, which led to global shortages of critical materials such as pulp and tin plates. This put considerable strain on the availability and prices of canning and packaging materials. The situation was further worsened by the temporary blockage of the Suez Canal which occurred in Q1, 2021. The combined impact varied from enforced blank sailings to unpredictable transit lead times of ships, which resulted in buildup of goods in transit and increased the risk of stock-out of critical inventory.

Despite these challenges our Company was able to exceed previous year's production level without compromising on quality. We improved our supply chain efficiency through cost-saving initiatives and leveraged digital capabilities such as artificial intelligence and digital extraction solution, to improve our processes.

Commercial developments

In the challenging business environment in which our Company operated, our sales and marketing teams had to stay agile. As mentioned earlier, our omni-channel approach, RGM, and redistribution strategies kept the Company ahead of the competition. We also explored new business opportunities including scaling up active

Chairman's statement continued

distribution. In addition, we used our newly acquired brands (Coast, Olympic & Nunu) to grow steadily in the regional territories and fight regional micro battles to restrict competitors' brand insurgencies. We employed shopper activations, retail promotions and sustained visibility drive in the competitive marketplace.

Despite the stiff competition, we maintained our market share position in the evaporated and powdered milk segments. Our core brands, Peak and Three Crowns, continued to grow stronger in mental and physical availability for our consumers. Peak has continued the drive to own the morning breakfast occasion, which is the biggest dairy consumption period of the day. The "Protein story" campaign, which we deployed, showcases how Peak Milk, a source of dairy protein for Nigerian families at breakfast, gives consumers the staying power they need to achieve more as they go through the day, every day.

We also tapped into the on-the-go and snacking occasions with our Peak yoghurt range made from fresh milk. This has been made possible through our Dairy Development that has supported sourcing from local farmers.

Three Crowns continued to play the important role of providing healthy nourishment to mums and their families while keeping them active. In 2021, Three Crowns leveraged digital technology to make workout routines accessible to consumers on their mobile phones. QR codes have also been introduced on the packs to create memorable digital experiences with consumers beyond product consumption.

The focus of Peak Specialized Nutrition in 2021 was to drive appreciation of age-appropriate nutrition for growing-up children. During the year, a series of programmes were executed across mass media platforms - TV, radio, print, outdoor and digital - highlighting the benefits of age-appropriate nutrition. The brand enlightened Nigerian parents, grandparents, teachers and other caregivers, on the benefits and importance of age-appropriate nutrition for children.

Developing local content

The Company's Dairy Development received a boost when three international companies (Barenbrug, Agrifirm and Urus) joined the Company to form the Value4Dairy consortium to accelerate the expansion of the Company's dairy development activities. Barenbrug supports pasture development; Agrifirm supports feed supplementation and advice; while Urus, one of the biggest genetic companies in the world, supports breed improvement to achieve higher productivity per cow. New partnerships were also formed with institutions like Bowen University and SWAGGO, the agricultural arm of Odua Investment Company Ltd.

Dairy farmers supplying raw milk to the Company continued to receive high-level dairy-based training to support milk streams and improve raw milk quality. Dairy training was also carried out in Kwara and Kano states, in collaboration with the National Office for Technology Acquisition and Promotion (NOTAP) underlining the Company's support for technology transfer in the dairy sector.

Safety remains paramount in our operations with emphasis on training and robust awareness, as well as the implementation of safety programmes from farm

to factory. Strict adherence to non-pharmacological preventive protocols on Covid-19 ensured that we achieved tremendous success with no recorded cases in all our Dairy Development sites.

The five-year FDOV (Faciliteeit Duurzaam Ondernemen en Voedselzekerheid, meaning, Facility for Sustainable Entrepreneurship and Food Security) project came to an end during the year. A hybrid closure event was held to launch the dairy development magazine, and a technical workshop, which was attended by the Minister of Agriculture and Rural Development, the Dutch Ambassador to Nigeria, the Director-General of NOTAP, international and national dairy experts, dairy farmers and students.

The Company's dairy development operations have reached over 120 communities, with over 11,000 dairy farmers and participants (both male and female) in the dairy value chain. We have constructed 122 solar-powered boreholes, 27 Milk Collection Centres across Oyo, Ogun, Osun, Kwara and Niger states and we plan to launch local milk sourcing initiatives in Ondo and the Federal Capital Territory. Our mobile yoghurt factory (FUTURA II) is expected to be installed in Abuja in 2022.

Our Dairy Development continues to contend with insecurity, infrastructure depreciation and other challenges. On January 30, 2022 armed bandits breached security at our Bobi Grazing Reserve facility and carted away cows and vandalised the Milk Collection Centre building and other assets. The relevant stakeholders have been informed while efforts are being made to move the operations to another location. Part of our operations in South West (Oyo and Ogun States) were also impacted by insecurity and to date, 4 milk collection centres are not functional, which affects the overall milk we are able to collect and expansion of Dairy Development activities in those areas.

Corporate social responsibility

At FrieslandCampina WAMCO, we believe that providing excellent nutrition for Nigerians starts with a world-class production process that guarantees access to high-quality dairy products for our consumers. Deploying interventions for the advancement of society, however, ensures that we create a social impact beyond commercial targets and maintain alignment with Sustainable Development Goals (SDGs).

During the year, as part of our social interventions, we donated high-quality dairy products to thirty charitable organizations across the country. This is a longstanding tradition that has impact the lives of vulnerable members of society positively.

We continued to deliver on our commitment to creating the required link between industry and the academia. We achieved this through two schemes:

- NOTAP Industry Technology Transfer Fellowship (NITTF) and
- The Tertiary Endowment for Dairy Research and Award for Best Graduating Student in Food Science departments of partner universities across the six geopolitical zones namely: University of Ibadan, University of Maiduguri, University of Nigeria Nsukka, University of Uyo, Federal University of Technology Minna and the Modibbo Adama University of Technology Yola.

Chairman's statement continued

In partnership with the National Home-Grown School Feeding Programme, we provided Milky Pap products at substantially subsidized rates to nourish over 177,000 Kogi State pupils in four feeding cycles. The intervention also supported the drive to encourage school enrolment while improving the nutritional and general wellbeing of school children.

Through our strategic partnership with the Orange Corners Nigeria - an initiative of the Ministry of Foreign Affairs of the Kingdom of the Netherlands - we were able to rally employee volunteers to mentor and guide young Nigerian entrepreneurs under the scheme based on the wealth of experience of the volunteers. This ultimately contributes to the development of a strong entrepreneurship ecosystem in Nigeria.

Sustainable engagement/Human resources

We focus on our goal to build an organization that fulfills the Company's mission of "Nourishing Nigeria/Nigerians with quality dairy nutrition". This we have collectively achieved by ensuring an engaged, enabled and inspired workforce.

The Company has maintained its status as an employer of choice by encouraging sustainable partnership between the business and its people, embedding a performance-driven workforce whilst promoting industrial peace and harmony. The harsh business environment notwithstanding, we were able to keep our employees motivated and productive, which has helped in achieving the Company's goals.

As part of our focus on capability building, our priority has been to expose leaders to techniques in managing their teams in the new ways of working, preserve our WIN-WIN culture, equip our people with the right skills required to keep winning and continue to sustain employee engagement at this critical time.

Despite the numerous challenges, the business was able to overcome the myriads of disruptions by leveraging our highly resourceful workforce, embedding a structured way of working, deploying critical skills interventions, communicating with our people through town hall meetings and exploring employee engagement programmes. Through these activities, we have continued to make great strides towards our goal of developing a high-performing, resilient, empowered and engaged workforce.

In a digital culture the people are the most important asset for organizations, and of more importance is how they are resourced to perform their tasks. This we were able to achieve with the deployment of various digital initiatives and support from core business units such as IT, Digital Transformation, Procurement and Security. This has helped us to effectively and proactively organize the total business using various interventions and programmes.

Board changes

There were no changes to the Board during the year under review. However, Rev. Isaac Agoye and Mr. Robert Steetskamp will retire from the Board after the forthcoming AGM, having attained or about to attain the age of 70 years. Please join me in thanking them for their many years of dedicated service to the progress of our Company.

Other Directors seeking re-election are Mr. Peter Eshikena, Mr. Roel van Neerbos and Mrs. Oreoluwa Famurewa. The profile of each Director is available in the Annual Report.

Acknowledgments

Our achievements in 2021 (as in the previous years) were the result of concerted efforts by various stakeholders, and I would like to express my appreciation to them for their valued contributions. On behalf of the Board, I thank the Management Team for the strong leadership, resilience and professionalism, which have delivered the strong performance recorded in 2021; and our greatly valued employees at all levels for their hard work, dedication and continued commitment. We owe a great deal of gratitude to the Corporate Head Office for their forbearance and solid support of the business. Our consumers deserve special appreciation for the confidence they have continued to demonstrate in our Company and its products. I recognise and appreciate the roles of our suppliers, financiers, regulators and other business partners. I thank my colleagues on the Board for their valuable insight, counsel and teamwork; and the shareholders for the confidence they have continued to repose in the Board and Management over the years.

2022 business outlook

The IMF has projected a 4.4% growth in the global economy for 2022, but this is against the backdrop of the lingering effects of Covid-19, ranging from mutation of the virus to supply chain disruptions, buildup in commodity prices and higher inflationary pressures. It is however doubtful if the projected growth can be achieved in view of the war between Russia and Ukraine, which has worsened supply chain disruptions with the resultant shortage of energy, critical raw materials and packaging materials.

Available data and forecasts in respect of key macroeconomic variables and activities suggest optimism in growth in the domestic economy for the year 2022. A growth of between 3-4% in GDP is expected. However, the outlook remains clouded by uncertainty surrounding oil price trajectory, scarcity of FX, rising inflation, high unemployment, security challenges, the unpredictable hike in the pump price of petroleum products, electricity price adjustments and social tensions across the country. Both the supply and demand sides of our business may be negatively impacted.

The expected volatility and uncertainty in the business environment notwithstanding, the Board and Management remain confident about the future of the Company and are committed to its success and sustainability. We are confident that the Company's brands, which are leaders in the dairy sector, will continue to grow on the back of our strengthened route-to-market. We will continue to pursue our backward integration and product diversification strategies with vigour to ensure the long-term sustainability of our business.

Thank you.



J. M. Ajekigbe, OFR
Chairman, Board of Directors

Board of directors' profile



Mr. Jacobs Moyo Ajekigbe, OFR
Chairman

Mr. Ajekigbe is the Chairman of the Board of Directors of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as a Non- Executive Director on 25 November 2009, and was appointed Chairman of the Board on 29 April, 2010. He holds a Bachelor of Science degree in Agricultural Economics from the University of Ibadan; MBA degree from the University of Lagos; and MA degree in Global Affairs from the University of Buckingham, UK. He has also attended a number of post experience courses in Nigeria and overseas.

A former Managing Director/Chief Executive Officer of First Bank of Nigeria Plc, Mr. Ajekigbe also served as Chairman of the Board of Directors of Keystone Bank Limited. He was Chairman of the Board of Directors of FBN (Merchant Bankers) Ltd. and of Kakawa Discount House Ltd. He was a member of the Board of First Pensions Custodian Limited, FBN Bank (UK) Ltd, V-Networks Nigeria Ltd, and Transnational Corporation of Nigeria Plc.

He currently serves on the Board of Opticom Finance Ltd as Chairman; and he is a member of the Board of Nycil Ltd. He is a member of the Governing Council of First Technical University, Ibadan; and also serves on the Board of some not-for-profit organisations. He is Chairman, Director Development Committee of the Institute of Directors. He is a Fellow of the Chartered Institute of Bankers and a Distinguished Fellow of the Institute of Directors.



Mr. Bernard Cheruiyot Langat
Managing Director

Mr. Bernard Cheruiyot Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC and Sub-Saharan Africa Cluster.

He joined the Company over five years ago as the Managing Director for Nigeria, and in July 2021 the role was expanded to Sub-Saharan Africa Cluster. He has over 28 years' experience acquired through working in leading multinationals, Unilever and Coca Cola Hellenic before his current position.

He has extensive experience across African markets having held various senior management positions in Kenya, Malawi, Ghana and Nigeria, where he has consistently led businesses to accelerate performance and build long term growth strategies. He has overseen the business to deliver strong results during volatile times.

He is a past Vice President of the Association of Foods Beverage and Tobacco Employers of Nigeria (AFBTE) and an active member of several industry advocacy groups.

Mr. Langat holds a Bachelor of Commerce Degree from the University of Nairobi, Master of Business Administration from Edinburgh Business School - Heriot Watt University Scotland UK, and is a Certified Public Accountant of Kenya CPA (K). He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is an alumnus of Harvard Business School Advanced Management Program AMP191, Boston USA, the London Business School as well as IMD Lausanne Switzerland.

Board of directors' profile



Mr. Roel van Neerbos

Non-Executive Director

Mr. Roel van Neerbos is a Non-Executive Director of FrieslandCampina. He is also the President Food & Beverage, Royal FrieslandCampina.

An excellent communicator, with an ability to solve complex problems, he has held several leadership roles across the world during an illustrious career spanning over three decades.

He joined the organisation as Chief Operating Officer, Consumer Products, Europe, the Middle East and the Africa Business Group in January 2017. His innovative and enterprising spirit has helped him to reach out to employees and all those who have been associated with him.

Up until mid-2016, he was Chief Executive Officer of Maxeda and is known for having developed the new Maxeda 2020 strategy. Prior to that, he was President at Heinz where he devised and implemented a 'Heinz way' of marketing and training. He has also been on the Board of Directors of Struik Foods and Spadel.

Mr. Roel van Neerbos' sharp thinking skills have helped him to implement strategic plans for the Company. With a Master's Degree in Business Administration from Groningen University and a passion for racing ahead, he is a natural when it comes to leading the way.



Mrs. Oyinkan Ade-Ajayi

Non-Executive Director

Mrs. Oyinkan Ade-Ajayi is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. She joined the Board of the Company as a Non-Executive Director on 23 November 2006.

Mrs. Ade-Ajayi's work experience straddles both the world of education, publishing and consumer marketing. A graduate of Cambridge University (B.Ed Hons) and London Business School (MBA). She is also a member of Institute of Directors, Nigeria.

She has extensive experience in Strategy and Consumer Brands Marketing, which she acquired whilst working with international organizations including Unwin Hyman Publishers, SmithKline Beecham (now GSK) and the Red Cross Children's Hospital in Cape Town, South Africa, amongst others.

Board of directors' profile



Rev. Isaac Adefemi Agoye

Non-Executive Director

Rev. Isaac Adefemi Agoye is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board of the Company as Finance Director in 1996. He later served as the Corporate Affairs Director/Deputy Managing Director of the Company from 2005-2010.

Rev. Agoye was appointed as a Non-Executive Director on 1 January 2011.

Rev. Agoye is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and has attended several management training institutions including, IMD Lausanne Switzerland, Lagos Business School and International Graduate School of Management (IESE), Barcelona.

He is also an associate member of the Institute of Directors. He is a former Board Member of the National Bureau of Statistics of Nigeria, a former member of Lagos State Research and Innovation Council (under Gov. Babatunde Fashola), and a former Vice President (Lagos Zone) of the Manufacturers Association of Nigeria (MAN). He is currently the Honorary National Treasurer of the Manufacturers Association of Nigeria (MAN).

Rev. Agoye is the General Overseer of the New Life Miracle Church.



Engr. Mustafa Bello, FNSE

Non-Executive Director

Engr. Mustafa Bello is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board of the Company as a Non- Executive Director on 1 March 2016.

Engr. Bello has extensive experience in both the public and private sector having served in various capacities in both sectors. He served as the Minister of Commerce of the Federal Republic of Nigeria from 1999-2003, a Member of the National Council for Revitalization of the Nigerian economy, 1999-2003, Member of the Economic Management Team (EMT) of President Olusegun Obasanjo, 2003-2007, the Chief Executive Officer of the Nigeria Investments Promotion Commission (NIPC) from 2003-2014. He also served on the Board of ESKOM, the Electricity Corporation of the Republic of South Africa from 2004- 2008.

He holds a Bachelor of Civil Engineering degree from the Ahmadu Bello University, Zaria (1978). He is also a Fellow of the Nigerian Society of Engineers and registered member of the Council for the Regulation of Engineering in Nigeria. He was a Member of the Board of Directors of FrieslandCampina WAMCO Nigeria Plc. from November 2007 to April 2008.

Engineer Bello also serves as a Non-Executive Director on the Boards of Zenith Bank Plc, NAK Steel Limited and as Chairman, CITI HI-TECH Construction Company Limited.

Board of directors' profile



Mr. Peter Eshikena

Non-Executive Director

Mr. Peter Eshikena is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He joined the services of the Company in 1985 as Shift Production Manager and rose through the ranks to become the Sales Manager in 2007.

He was appointed to the Board of the Company as Sales Director/Deputy Managing Director on 1 January 2011 and was appointed as Managing Director on 1 September 2012 and later as the pioneer Managing Director of FrieslandCampina, Africa. He was appointed a Non-Executive Director on 1 January 2015.

Mr. Eshikena holds a Higher National Diploma in Mechanical Engineering from Yaba College of Technology, MBA degree from University of Navarra Spain and also attended Lagos Business School and High Performance Leadership training at IMD, Lausanne Switzerland, among several other developmental courses.



Mrs. Oreoluwa Famurewa

Executive Director

Mrs. Oreoluwa Famurewa was appointed on the 2nd September 2019 as an Executive Director of FrieslandCampina WAMCO Nigeria PLC.

She is a seasoned professional vastly experienced in Government Relations, Public and Regulatory Affairs and Communication with proven track record spanning over 24 years within the organisation.

Mrs. Famurewa holds a Bachelor of Arts Degree in History from the University of Lagos and MBAs in Marketing and Corporate Governance from Lagos State University and National Open University of Nigeria respectively. She is a member of key professional bodies including the Nigerian Institute of Public Relations (NIPR), Institute of Directors (IOD), National Institute of Marketing of Nigeria (NIMN) and Nutrition Society of Nigeria (NSN). She is an Associate member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/ IE University, Madrid Executive Education Programme for Women on Boards. She has attended several leadership courses in Nigeria and abroad at the Lagos Business School, IMD, Switzerland and IE Business School, Madrid.

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won awards including Outstanding Female Corporate Communications Professional of the year in the FMCG category at the Women in Marketing and Communications Conference and Award (WIMCA).

In October 2020, she received the Marketing Edge Award for the most Outstanding Corporate Communications Personality of the Decade at the Marketing and Advertising Awards of Excellence.

Board of directors' profile



Mr. Marc Galjaard
Executive Director

Mr. Marc Galjaard is the Finance Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as Finance Director on 15th September 2020.

Mr. Marc Galjaard holds a Master of Science Degree in Accounting & Auditing from the Nyenrode Business University in the Netherlands and is a Certified Public Accountant of the Netherlands (RA). He is a Member of the Royal Professional Association of Accountants in the Netherlands (NBA).

Mr. Marc Galjaard has over 25 years of extensive experience in Finance, which he acquired working for and with multinational companies. He joined FrieslandCampina in 2012 as Director Corporate Accounting & Reporting in the Netherlands and subsequently held Finance roles as Finance Director FrieslandCampina in Hungary, as Director EMEA Financial Shared Service Centre in Budapest where he was in charge of the set-up of the Centre and roll-out in the EMEA region and most recently as Finance Director FrieslandCampina in Germany, where he co-led transformation of the commercial function.

Prior to joining FrieslandCampina, Marc held various management positions at KPMG of which Director of Audit at KPMG Corporate Clients in the Netherlands and as Audit Manager at KPMG London in the United Kingdom, in which capacity he worked for and with leading (listed) companies in the FMCG, Electronics and Finance industries in an international context.

Mr. Marc Galjaard has attended various developmental business courses among which management development programs, professional qualification related courses and leadership training at IMD Lausanne, Switzerland.



Mr. Robert Steetskamp
Non-Executive Director

Mr. Robert Steetskamp is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He was appointed as a Non-Executive Director of the Company on 1 September 2012.

He began his career working in various capacities within key multinationals as Procter & Gamble, Beecham and later Henkel in Europe.

He joined FrieslandCampina in 1994 as General Director. In 2000, he became the Director Strategic Business Development (Corporate, HQ) and in 2005, he became the Managing Director of FrieslandCampina, Russia/CIS and in 2009 became the Managing Director of FrieslandCampina WAMCO Nigeria PLC.

He was for 3 years delegated to the Ministry of Economic Affairs of the Netherlands to internationally lead the Agric. and Food top sector.

Mr. Steetskamp is currently the Chairman, Netherlands Agro, Food & Technology Centre. He is an astute leader who has continued to raise the bars and standards of FrieslandCampina. He holds a degree in Economics from HES Amsterdam (Academy for Economics Studies), subsequently followed various business courses amongst which Advanced Marketing from Harvard University and the Leadership Program at IMD Lausanne, Switzerland.

Head of Legal Sub-Saharan Africa/Company Secretary



Mrs. Olubukunola Olateru

[Head of Legal Sub-Saharan Africa and Company Secretary](#)

Mrs. Olubukunola Olateru is the Company Secretary FrieslandCampina WAMCO Nigeria PLC and Head of Legal, FrieslandCampina Sub-Saharan Africa. She is a Chartered Secretary with extensive experience in broad multi-functional roles spanning Legal Practice, Corporate and Regulatory Affairs, Commercial Legal Management as well as Commercial Law and Corporate Governance practice. Her forte is identifying existing and emerging legal and corporate governance risks to business and proffering innovative solutions.

She is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria and a member of the United Kingdom equivalent, a trained Arbitrator and Fellow of the Chartered Institute of Arbitration, UK (FCIArb) and a member of the Association of Company Secretaries and Legal Advisers in Manufacturing (ACSLA). She joined FrieslandCampina WAMCO Nigeria PLC in May 2015 as the Legal Counsel. Prior to her current role, she was Legal Counsel in Food Concepts Plc and Company Secretary, Free Range Farms Plc (a subsidiary of Food Concepts Plc). She has also worked in Guinness Nigeria Plc as Legal Associate and in private practice with Babalakin & Co. Legal Practitioners.

She is a dynamic business lawyer, board room expert and governance professional, who has gathered considerable professional experience in company secretarial, corporate governance and compliance, legal advisory services and negotiating international business transactions. In her current role, she is responsible for the company secretariat, legal advisory, property management, risk management, intellectual property, corporate governance framework and code of business conduct for the business entity in Sub-Saharan Africa.

She was appointed as Company Secretary to the Board of Directors in August 2017.

Management team profile



Mr. Bernard Cheruiyot Langat
Managing Director

Mr. Bernard Cheruiyot Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC and Sub-Saharan Africa Cluster.

He joined the Company over five years ago as the Managing Director for Nigeria, and in July 2021 the role was expanded to Sub-Saharan Africa Cluster. He has over 28 years' experience acquired through working in leading multinationals, Unilever and Coca Cola Hellenic before his current position.

He has extensive experience across African Markets having held various senior management positions in Kenya, Malawi, Ghana and Nigeria, where he has consistently led businesses to accelerate performance and build long term growth strategies. He has overseen the business to deliver strong results during volatile times.

He is a past Vice President of the Association of Foods Beverage and Tobacco Employers of Nigeria (AFBTE) and an active member of several industry advocacy groups.

Mr. Langat holds a Bachelor of Commerce Degree from the University of Nairobi, Master of Business Administration from Edinburgh Business School - Heriot Watt University Scotland UK, and is a Certified Public Accountant of Kenya CPA (K). He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is an alumnus of Harvard Business School Advanced Management Program AMP191, Boston USA, the London Business School as well as IMD Lausanne Switzerland.



Mrs. Oreoluwa Famurewa
Corporate Affairs Director

Mrs. Ore Famurewa is the Executive Director, Corporate Affairs of FrieslandCampina WAMCO Nigeria PLC. She became a member of the Management Team in January 2014.

She is a seasoned professional vastly experienced in Government Relations, Public and Regulatory Affairs and Communication with proven track record spanning over 24 years within the organisation.

Mrs. Famurewa holds a Bachelor of Arts Degree in History from the University of Lagos and MBAs in Marketing and Corporate Governance from Lagos State University and National Open University of Nigeria respectively. She is a member of key professional bodies including the Nigerian Institute of Public Relations (NIPR), Institute of Directors (IOD), National Institute of Marketing of Nigeria (NIMN) and Nutrition Society of Nigeria (NSN). She is an Associate member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/IE University, Madrid Executive Education Programme for Women on Boards. She has attended several leadership courses in Nigeria and abroad at the Lagos Business School, IMD, Switzerland and IE Business School, Madrid.

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won awards including Outstanding Female Corporate Communications Professional of the year in the FMCG category at the Women in Marketing and Communications Conference and Award (WIMCA).

In October 2020, she received the Marketing Edge Award for the most Outstanding Corporate Communications Personality of the Decade at the Marketing and Advertising Awards of Excellence.

Management team profile



Mr. Marc Galjaard
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Prior to joining FrieslandCampina, Marc held various management positions at KPMG of which Director of Audit at KPMG Corporate Clients in the Netherlands and as Audit Manager at KPMG London in the United Kingdom, in which capacity he worked for and with leading (listed) companies in the FMCG, Electronics and Finance industries in an international context.

Mr. Marc Galjaard has attended various developmental business courses among which management development programs, professional qualification related courses and leadership training at IMD Lausanne, Switzerland.



Mr. Adedeji Adeshoga
Sales Director

Mr. Adedeji Adeshoga is the Sales Director of FrieslandCampina WAMCO Nigeria PLC.

He joined the Company over five years ago as a National Sales Manager and has successfully ascended through the leadership ranks. He has over 20 years experience working in foremost multinationals - Xerox H.S and Nestle Nigeria Plc prior to his present position.

He has vast experience in Category, Channel & Customer Management, Route-to-market (RTM) model and Sales planning across regional and national levels. His advanced Commercial expertise combined with his data driven mindset, has been instrumental in consistently delivering business goals and building sustainable business RTM across Nigeria.

He possesses a Bachelor of Economics degree from Ogun State University, Master of Science in Strategic Management from Babcock University Nigeria. He is an active member of different professional bodies - an associate member of National Institute of Marketing of Nigeria and a fellow of Institute of Personality Development & Customer Relationship Management.

He has participated in various strategic trainings and workshops on Leadership, Sales Management, Route to Market Excellence, Financial Management from globally acclaimed institutions some of which are Impact Training and Management Consulting, Leadership and Vision Limited, Vlerick Business School, Belgium, Lagos Business School, to mention a few.

He is recognised as a thought leader in the Nigerian FMCG space with multi-organisational awards accorded to him.

Management team profile



Mr. Adekola Lamidi
Manufacturing Director

Mr. Adekola Lamidi is the Manufacturing Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO Management Team in April 2019. Lamidi joined FrieslandCampina WAMCO in 2001, as a Management Trainee and since then functioned in several technical and management capacities in Nigeria, West Africa (based in Abidjan) and the Netherlands. Prior to joining the Company, he worked as an Electrical/Instrumentation Technician with Shell Petroleum Development Company.

He has attended several trainings and professional development courses across different countries, including US, Belgium, Netherlands, Spain, Vietnam, UK, Switzerland, Germany, France and Slovenia which has exposed him to international best practices and innovative ways of doing business. He has also received numerous commendations and awards for his outstanding contributions to business transformation and achievement of overall corporate objectives. He holds a Higher National Diploma in Physics with Electronics from Federal Polytechnic, Offa, a PGD in Electronics and Telecommunication from Federal University of Technology, Akure, an MSc in Electronic, University of Nigeria, Nsukka, Executive Masters in Project Management from Project Management College, UK and an MBA from Aston Business School, UK.

Lamidi is an active member of several professional bodies such as, Engineers in Ireland (UK & Ireland), Nigerian Society of Engineers, Nigerian Chartered Institute of Management (NIM), Institution of Electrical Engineers (IEE) UK and Nigerian Association of Technological Engineers (NATE). Lamidi is a high performing leader; skilled strategist and collaborative relationship builder with remarkable record of driving continuous improvement; building top-notch multicultural teams; leading business expansion initiatives across countries; designing sustainable frameworks; implementing strategy into operations and delivering optimal business results.



Mr. Chris Wulff-Caesar
Marketing Director

Mr. Chris Wulff-Caesar is the Marketing Director for FrieslandCampina WAMCO Nigeria PLC. He joined the management team in April 2018 and holds a BA (Honours) Degree in Economics from the University of Ghana and an MBA from the Edinburgh Business School of the Heriot Watt University in Scotland, United Kingdom.

He is a proven marketer, commercial operator and business leader with over 20 years working experience in both local and international roles for ABInBev, SABMiller and Unilever. His career has seen him accrue a wealth of experience in managing the primary assets of these leading FMCG organizations i.e. brands and people.

Prior to his appointment to FrieslandCampina WAMCO, Chris was Marketing Director West Africa (Ghana & Nigeria) at ABInBev and member of the board of Accra Brewery Ltd in Ghana. During his tenure, he led the establishment of a formidable business and brand portfolio which transformed the markets to wrestle share away from incumbent competitors. Whilst at SABMiller, he also held the positions of Category Expansion/Innovation Manager for Africa based in Johannesburg (2010 -2012) and Marketing Director for Ghana (2007 - 2010).

Chris is a fellow of National Institute of Marketing Nigeria (NIMN) and an Associate Member of the Advertising Practitioners Council of Nigeria (APCON). In 2019, he was awarded the prestigious Marketing Personality of the Year at the Marketing Edge Awards. He was also adjudged one of Marketing World Africa (MWA) Top 50 Africa Marketing Leaders in 2021. He is skilled in marketing management, business and strategy planning, innovation management, trade marketing and execution amongst others.

He remains connected to his home country Ghana with his involvement in organizations that target the development and establishment of infrastructure for primary school education. Chris is also a member of the Changing Lives Endowment Fund (CLEF) which is a non-profit organization set up to influence access to quality education for disadvantaged students with great potential.

Management team profile



Ms. Dolapo Otegbayi
Specialised Nutrition Director

Ms. Dolapo Otegbayi is the Specialised Nutrition Director of FrieslandCampina WAMCO Nigeria PLC. She joined the Management Team in November 2019.

An alumnus of the prestigious University of Liverpool, University of Lagos and Ambrose Alli University, Dolapo started her professional career in marketing communications management and consulting at Insight Grey in 2000. She is a highly experienced Senior Business Executive with over 20 years' experience in brand marketing and sales strategy with expertise in innovation, integrated commercial planning and execution.

Dolapo joined FrieslandCampina WAMCO in 2004 where she held several senior manager and leadership responsibilities. She has earned many accolades for her contribution as a thought leader in marketing and communication; she eagerly shares her knowledge, on LinkedIn and engages with young marketeers, encouraging them to think critically and differently. Her purpose is to serve and inspire young professionals to be more than they thought they could be.

Dolapo has received several recognitions and awards including: IDF Dairy Innovation Summit and Awards (2010) for the innovation of world's first evaporated milk in a sachet. In 2019, she led her team to win the FrieslandCampina Global WIN-WIN Awards - Commercial Obsession Category. Dolapo has been recognized as one of the Top 50 Marketing Communication Professionals in Africa; Outstanding Woman in Marketing in Nigeria; Marketing Thought Leader of the Year (2019); Excellence in Marketing Communications; Top 50 Africa Marketing Leaders (2021); Marketing World Woman of the Year (2021) and Marketing Edge Outstanding Marketing Personality of the Year (2021).

She is a Volunteer Teacher Assistant, providing support to high school students with focus on Business Administration Studies. Dolapo is a fellow of the National Institute of Marketing Nigeria (NIMN) and an Associate member of the Advertising Practitioners Council of Nigeria (APCON).



Mr. Temitope Bandele
Customer Supply Chain Director

Mr. Temitope Bandele is the Director, Customer Supply Chain for FrieslandCampina WAMCO and Sub Saharan Africa. He joined FrieslandCampina WAMCO in June 2015 and in August 2020 he became one of the Management team of Consumer Dairy Africa Ivory Coast. He was appointed into the Management team of Sub-Saharan Africa in July 2022 with the responsibility of leading the entire Supply Chain for Nigeria, West Africa and Equatorial, East & Southern Africa.

He has 16 years of supply chain experience gathered from senior management roles in leading multinationals. He started his career with Procter & Gamble Nigeria before moving to Unilever Nigeria and then to South Africa on International assignment before joining FrieslandCampina WAMCO. He is a dynamic leader who has achieved various successes in Africa leading teams across various supply chain functions and organizations.

Prior to his management positions, he has functioned in several senior leadership positions within the Company as well as in the Consumer Dairy Africa business. In addition to his roles in core Supply Chain, he led several other complex projects and initiatives, such as the multi-functional SAP Project (SUMMIT) for the Company, and the transformation of Supply Chain operations from Europe to Africa.

Temitope is a member of Association for Supply Chain Management (ASCM) with certifications in some APICS CPIM (Certified in Planning and Inventory Management) and CSCP (Certified Supply Chain professional) courses. He is an active member of Supply Chain Professionals in Nigeria and an associate member of Nigerian Institute of Management. He studied Electrical Engineering and obtained a master's degree (MSc) in Operations & Supply Chain Management from University of Liverpool. He is currently attending Leadership course in London Business School along several other developmental courses.

Management team profile



Mr. Tope-Philips Aikhuemelo

Human Resources Director

Mr. Tope-Philips Aikhuemelo joined FrieslandCampina WAMCO Nigeria PLC as the Human Resources Director on the in February, 2020. He has over 3 decades of work experience acquired through working in leading multinationals within and outside Nigeria. He is a seasoned professional with a career journey spanning across Banking, Journalism, Corporate and Governmental Affairs, Brands (Marketing) and Human Resources Management.

TP, as he is fondly called, is an excellent HR Practitioner with immense experience in problem solving. His major achievements have come through strategic thinking, strong interpersonal and coaching skills, holding self and others accountable to high standards.

He had a rich international exposure in his role as Regional HR Transformation and Change Lead in Unilever (based in Durban South Africa) businesses in two continents in Africa and Middle East. He worked for Cadbury West Africa as Senior HRBP Supply Chain/Group Employee Relations Manager West Africa and later Tiger Brands Nigeria, as Group HR Director.

TP has won many awards, including a special recognition as an HR leader of the year in 2019. His passion for growing and developing people is enormous, as he spends quality time with younger people to help them achieve their life goals. He is into coaching and mentoring as well.

His key areas of expertise are leading business integration arising from acquisitions and mergers, capability development, talent management, culture & change management (business/people transformation), employee engagement and employer branding. He has been part of different leadership teams, that achieved business turnaround through innovative people's strategies which impacts business profitability. TP's last position before he joined FrieslandCampina WAMCO Nigeria PLC was at Cadbury Nigeria PLC where he was the Human Resources Director for West Africa.

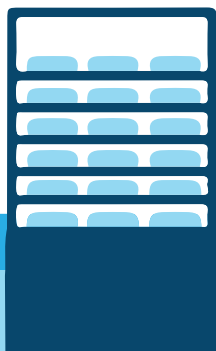
Tope-Philips is a graduate of the University of Lagos where he earned his first degree in Political Science and an M.Sc in International Relations from the Obafemi Awolowo University (OAU). He is a certified member of CIPM.



Go For Tasty Peak Yoghurt



Reach for your Peak



quality

Providing high quality milk and dairy products worldwide

FrieslandCampina has a long-standing history of high-quality dairy, which is due to the craftsmanship and expertise of our member dairy farmers and employees. We control the supply chain from grass to glass and monitor every step in the production of our products with our FoQus quality system to ensure nutritious food for our consumers.

“Growing up with Peak milk as a child motivates me to ensure a streamlined process in the factory every day. I am proud to contribute to providing good nutrition for Nigerians.”

~ Kenneth Ifude
Technical Operator



Directors and other corporate information

Board of Directors:	Mr. Jacobs Moyo Ajekigbe, OFR Mr. Bernard Cheruiyot Langat (Kenyan) Mrs. Oyinkan Ade-Ajayi Rev. Isaac Adefemi Agoye Engr. Mustafa Bello Mr. Peter Eshikena Mr. Roel van Neerbos (Dutch) Mr. Robert Steetskamp (Dutch) Mr. Marc Galjaard (Dutch) Mrs. Oreoluwa Famurewa	Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director Executive Director
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Head of Legal Sub-Saharan Africa/ Company Secretary:	Mrs. Olubukunola Olateru FCIS
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Registered Office:	Plot 7b Acme Road Ogba Industrial Estate Ogba-Ikeja Lagos State
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Registrars:	First Registrars and Investor Services Limited Plot 2 Abebe Village Road Iganmu, Lagos
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Independent Auditors:	PricewaterhouseCoopers Landmark Towers Plot 5B Water Corporation Road Victoria Island, Lagos
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Principal Bankers:	Access Bank PLC Citibank Nigeria Limited Coronation Merchant Bank First Bank of Nigeria PLC First City Monument Bank Globus Bank Limited Guaranty Trust Bank Limited Stanbic IBTC Bank PLC Standard Chartered Bank Union Bank of Nigeria United Bank of Africa PLC Zenith Bank PLC
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Report of the directors

For the year ended 31 December 2021

1 Incorporation

FrieslandCampina WAMCO Nigeria PLC was incorporated in Nigeria under the Companies and Allied Matters Act Laws of the Federation of Nigeria 2020 as a Public Limited Liability Company and is domiciled in Nigeria.

2 Principal activities

The Company is principally involved in the manufacture and marketing of dairy products. It has its manufacturing sites in Ogba Industrial Estate, Ikeja, Lagos and Ikorodu, Lagos.

3 Result for the year

The summary of the operating results is as follows:

In thousands of Naira	2021	2020
Revenue from contracts with customers	268,430,580	199,527,906
Profit before income tax	12,702,741	14,939,249
Income tax expense	(5,117,075)	(6,160,363)
Profit for the year	7,585,666	8,778,886
Other comprehensive income/(loss) net of income tax	112,051	(74,106)
Total comprehensive income for the year	7,697,717	8,704,780

4 Dividend

The Company pays an annual ordinary dividend in line with its medium to long-term financial performance and targets in order to increase dividend-per-share over time. The policy is to pay dividends at the rate of not less than 75% of its Profit After Tax (PAT) to its shareholders.

In accordance with this policy, the Board of Directors is proposing a total dividend pay-out of ₦5.83 per ₦0.50 share (2020: ₦6.74). An interim dividend of ₦1.10 was paid in 2021 (2020: Nil) ; and a final cash dividend of ₦4.23 per ₦0.50 share is recommended for your approval (2020: ₦6.74 was paid out as final dividend).

In addition to the cash dividend proposed, a bonus share of ₦0.50 is also proposed to be issued to existing shareholders on a one-to-one basis; one ordinary share with a nominal value of ₦0.50 for each share owned (1:1). This will make the dividend pay-out 75% (75% in 2020).

If the proposed final dividend is approved, the final dividend less withholding tax at the appropriate rate will become payable on Friday 27th May 2022.

5 Property, plant and equipment

Information relating to changes in property, plant and equipment is given in note 12 to the Financial Statements.

Report of the directors continued

For the year ended 31 December 2021

6 Directors

The names of Directors at the date of this report and of those who held office during the year are as follows:

Mr. Jacobs Moyo Ajekigbe, OFR	Chairman
Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director
Mrs. Oyinkan Ade-Ajayi	Non- Executive Director
Rev. Isaac Adefemi Agoye	Non- Executive Director (retiring on 26 May 2022)
Engr. Mustafa Bello	Independent Non-Executive Director
Mr. Peter Eshikena	Non- Executive Director
Mr. Roel van Neerbos (Dutch)	Non- Executive Director
Mr. Robert Steetskamp (Dutch)	Non- Executive Director (retiring on 26 May 2022)
Mr. Marc Galjaard (Dutch)	Executive Director
Mrs. Oreoluwa Famurewa	Executive Director

In accordance with Article 85 of the Company's Articles of Association, Mr. Roel van Neerbos, Mr. Peter Eshikena and Mrs. Oreoluwa Famurewa will retire by rotation and being eligible, offer themselves for re-election. In accordance with section 278 of CAMA 2020, Mr. Robert Steetskamp and Rev. Isaac Agoye however will be retiring after the forthcoming Annual General Meeting, having duly notified the Company that they are/would be attaining 70 years old.

The profiles of the Directors standing for re-election are contained on pages 14 to 17 of this Annual Report.

7 Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act CAMA 2020, of any disclosable interests in contracts with which the Company was involved as at 31 December 2021.

8 Directors' shareholding

The register of Directors' interests in the share capital of the Company will be open for inspection at the Annual General Meeting.

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholding and as notified by them in accordance with Sections 301 and 302 of the Companies and Allied Matters Act, CAMA 2020 are as follows:

Report of the directors continued

For the year ended 31 December 2021

	Number of ordinary shares held as at 31 December			
	2021 ₦0.50 nominal value	Holdings %	2020 ₦0.50 nominal value	Holdings %
Mr. Jacobs Moyo Ajekigbe, OFR	1,250,000	0.13	1,250,000	0.13
Rev. Isaac Adefemi Agoye	1,335,418	0.14	1,335,418	0.14
Mrs. Oyinkan Ade-Ajayi	1,136,794	0.12	1,136,794	0.12
Mr. Peter Eshikena	192,646	0.02	192,646	0.02
Mr. Bernard Cheruiyot Langat	Nil	0.00	Nil	0.00
Engr. Mustafa Bello	Nil	0.00	Nil	0.00
Mr. Roel van Neerbos	Nil	0.00	Nil	0.00
Mr. Robert Steetskamp	Nil	0.00	Nil	0.00
Mr. Marc Galjaard	Nil	0.00	Nil	0.00
Mrs. Oreoluwa Famurewa	40,000	0.00	40,000	0.00

9 Corporate governance report framework

FrieslandCampina WAMCO Nigeria PLC operates within a Corporate Governance framework established on the following:

- Companies and Allied Matters Act CAMA 2020
- The Investment and Securities Act 2007
- Security and Exchange Commission [SEC] Rules for the time being in force
- The SEC Code of Corporate Governance for Public Companies 2011 as amended
- 2018 Nigerian Code of Corporate Governance (NCCG Code)
- The Memorandum and Articles of Association of FrieslandCampina WAMCO Nigeria PLC
- The Board Charter
- The FrieslandCampina WAMCO Nigeria PLC Code of Business Conduct - COMPASS

Consequently, the Company recognises the importance of adhering to best Corporate Governance principles and practices, and the valuable implication of such adherence to long term business profitability, sustainability and accountability to shareholders.

Accordingly, the Corporate Governance Policy of FrieslandCampina WAMCO Nigeria PLC can be summarised as follows:

- i. The Company conducts its operations with honesty, integrity and respect for human rights and interests of employees.
- ii. The Company respects the legitimate interests of those with whom it has relationships.
- iii. The Company is required to comply with the laws and regulations of the country in which it operates.
- iv. The Company conducts its operations in accordance with internationally accepted principles of good corporate governance. We provide timely, regular and reliable information on our activities, structure, financial situation and performance to our shareholders and other stakeholders.

Compliance with the above principles is the basis of our business success and all employees and business partners of FrieslandCampina WAMCO Nigeria PLC are mandated to comply with the above principles.

a. Board responsibilities

The Board has the final responsibility for management, direction and performance of the Company. This responsibility is vested in the board by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of FrieslandCampina WAMCO Nigeria PLC. Overall, the Board has the responsibility for the establishment of a risk management system within the Company.

Report of the directors continued

For the year ended 31 December 2021

The Board has delegated to the Management all its powers, authorities and discretions which relate to the day to day operations of FrieslandCampina WAMCO Nigeria PLC save for the following:

1. Structural and constitutional powers

- a. Alteration of Memorandum and Articles of Association
- b. Alteration of the Company's Share Capital
- c. Significant disposal of the Company's assets

2. Governance

- a. Convening of meetings of the shareholders of FrieslandCampina WAMCO Nigeria PLC and the setting of the agenda thereof;
- b. Presentation of the Annual Report and Financial Statements to shareholders;
- c. Proposals to the general meetings of shareholders of FrieslandCampina WAMCO Nigeria PLC on Board remuneration within the authority set by the general meeting of shareholders;
- d. The review of the functioning of the Board and its Committees;
- e. Overall responsibility for compliance with all relevant laws, regulations and Code of Corporate Governance.

3. Board remuneration

Approval of the remuneration of Non Executive Directors, subject to the Articles of Association and shareholder approval as appropriate, following recommendation by the Governance and Remuneration Committee.

b. Board appointment and evaluation process

Directors are appointed to the Board following a declaration of vacancy at Board meeting. New Directors are selected through carefully articulated selection guidelines that place emphasis on integrity, skills and competencies relevant to the Company's goals and aspirations. The Policy confers on the Governance Committee, the responsibility of identifying individuals with a track record of outstanding achievement and potential for value enhancement. The Committee's recommendation is subjected to further scrutiny by the Board before a decision is taken. The appointed Director is made to undergo an induction programme to equip and familiarize him/her with requisite knowledge and information about the Company and its business. The appointed Director is presented at the next Annual General Meeting for election.

Board evaluation

The Board has established a system to undertake a formal evaluation of its performance and that of its Committees and individual Directors. The evaluation of the Directors is based on areas such as the ability of the Board to fulfil its general supervisory roles, preparation of members for meetings, participation at meetings, quality of proposals made by members at meetings etc.

DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of FrieslandCampina WAMCO Nigeria PLC in accordance with the Nigerian Code of Corporate Governance. Following a review of FrieslandCampina WAMCO Nigeria PLC Corporate Governance standards and processes, DCSL confirmed that the Board had substantially complied with the provisions of the Securities and Exchange Commission Corporate Governance guidelines, the Nigerian Code of Corporate Governance and other relevant Corporate Governance standards.

c. Board meetings

During 2021, the Board of Directors convened four (4) meetings. The record of Directors' attendance is presented below:

Name	Number of meetings attended
Mr. Jacobs Moyo Ajekigbe, OFR	4
Mr. Bernard Cheruiyot Langat	4
Mrs. Oyinkan Ade-Ajayi	4
Rev. Isaac Adefemi Agoye	4
Engr. Mustafa Bello	4
Mr. Peter Eshikena	4
Mr. Roel van Neerbos	4
Mr. Robert Steetskamp	4
Mr. Marc Galjaard	4
Mrs. Ore Famurewa	4

The Board Meetings were held on 25 February, 6 May, 29 July and 9 November 2021.

Report of the directors continued

For the year ended 31 December 2021

d. Audit Committee meetings

In line with Section 404 (3) of the Companies and Allied Matters Act, 2020 (CAMA), the Audit Committee is comprised of three (3) shareholders' representatives and two (2) Directors' representatives.

Section 404 (7) of CAMA and the SEC's Code of Corporate Governance for Public Companies 2011 provides and regulates the functions of the Audit Committee.

In compliance with CAMA, the Committee oversees the accounting policies and the reporting policy of the Company to ensure they are in accordance with legal requirements and agreed ethical practices; evaluate the qualifications and independence of the Company's external auditors and performance of the Company's internal audit functions as well as that of the external auditors; oversees management process for the identification of significant fraud risks across the Company and ensures that adequate prevention, detection and reporting mechanisms are in place.

During 2021, the Audit Committee convened five (5) meetings. The record of Committee's attendance is presented below:

Name	Number of meetings attended
Rev. Isaac A. Agoye	5
Mrs. Funmilayo Balogun (Elected 6th of May 2021)	3
Mr. Peter Eshikena	5
Sir. Sunday N. Nwosu	5
Mr. John Ogundipe	5
Mr. Robert J. Steetskamp*	2

*Following CAMA requirement, two Director representatives are required to be members of the Statutory Audit Committee.

The Audit Committee Meetings were held on 19 February, 30 April, 23 July, 29 September and 29 October 2021.

Committees of the Board

In conformity with the Nigerian Code of Corporate Governance (2018), the Board committees are comprised of members of the board with the requisite training and knowledge to enhance the performance of the Board's duties.

(a) Governance Committee: The Governance Committee combines the roles and responsibilities of a Nominations and Remuneration Committee. Amongst other responsibilities, this Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and re-appointment of Non-Executive Directors on the Board. The Committee provides a written report, highlighting its deliberations and recommendations to the Board.

During 2021, the Governance Committee convened two (2) meetings. The record of Committee's attendance is presented below:

Name	Attendance
Engr. Mustafa Bello	2
Mrs. Oyinkan Ade-Ajayi	2
Mr. Roel van Neerbos	2
Mr. Robert Steetskamp	2

The Committee held its meetings on 18 February and 15 November 2021.

Report of the directors continued

For the year ended 31 December 2021

(b) Audit and Risk Committee: The Audit and Risk Committee determines the risk management and ethics standards, is responsible for monitoring the integrity of financial statements of the Company and reviewing the effectiveness of the Company's internal control and risk management system, among others.

Name	Attendance
Mrs. Oyinkan Ade-Ajayi	4
Rev. Isaac Agoye	4
Mr. Peter Eshikena	4

The Committee held its meetings on 22 February, 28 April, 26 July, 1 November 2021. The Executive Directors were also in attendance at the Committee meetings during the risk report review as recommended by Nigeria Code of Corporate Governance.

e. Management team

The Board has a Management Team that is charged with the responsibility of implementing policies and the day-to-day management of the affairs of the Company. This team comprises of the Executive Directors and all members of the Management Team of the Company. The activities of the Management Team are reported to the Board at its next scheduled meeting for notice and/or ratification as appropriate.

The members of the Management Team are:

Mr. Bernard Langat	Managing Director
Mrs. Ore Famurewa	Corporate Affairs Director
Mr. Marc Galjaard	Finance Director
Mr. Adedeji Adeshoga	Customer Development and Shopper Marketing (Sales) Director (Appointed in July 2021)
Mr. Adewale Arikawe	Customer Development and Shopper Marketing (Sales) Director (transferred in July 2021)
Mr. Adekola Lamidi	Manufacturing Director
Mr. Chris Wulff-Caesar	Marketing Director
Ms. Dolapo Otegbayi	Specialised Nutrition Director
Mr. Temitope Bandele	Customer Supply Chain Director
Mr. Tope Phillips-Aikhuemelo	Human Resources Director

The Management Team has, as part of its terms of reference, the duty of ensuring constant monitoring of operations, implementation of Board decisions and recommendations to the Board on all issues and areas of operations.

f. Analysis of Shareholdings

According to the Register of Members, as at 31 December 2021, the shareholding analysis of the Company is as follows:

Range	Number of shareholders	Shareholders %	Number of shares held	Holdings %
1 - 10,000	2,361	70.52	5,737,426	0.59
10,001 - 20,000	277	8.27	4,039,141	0.41
20,001 - 50,000	295	8.81	9,759,068	1.00
50,001 - 100,000	144	4.30	10,573,782	1.08
100,001 - 500,000	181	5.41	41,784,550	4.28
500,001 - 1,000,000	27	0.81	19,404,809	1.99
1,000,001 - 5,000,000	55	1.64	116,481,601	11.93
Above 5,000,000	8	0.24	768,555,559	78.72
	3,348	100	976,335,936	100
Nigerian public	3,347	99.96	314,258,004	32.19
FrieslandCampina Nigeria Holding B.V.	1	0.04	662,077,932	67.81
	3,348	100	976,335,936	100

Report of the directors continued

For the year ended 31 December 2021

g. Shareholders' participation

The Company is committed to promoting shareholders' rights and takes necessary steps in ensuring same. The Board and the Management do significantly benefit from the contributions and advice of the Shareholder Members of the Audit Committee and contributions of shareholders at Annual General Meetings.

h. Code of business conduct and ethics

The Company has a Code of Conduct which sets out the values and principles that should guide all employees in the way and manner they conduct themselves in relation to all its stakeholders. The Company ensures a steady awareness of these values and principles by continuous training, adequate publication of the contents of the Code to its employees and the development of a whistle-blowing procedure to deal with any contravention of the Code of Conduct.

i. Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Management Team, which is responsible for developing and monitoring the Company's risk management policies. The Management Team reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit and Risk Committee oversees how Management monitors compliance with the Company's risk and management policies and procedures, and review the adequacy of the risk management framework in relation to the risk faced by the Company.

Comprehensive note on risk management is detailed on pages 88-93.

j. Share dealing/insider trading

By virtue of the Share Trading Policy of the Securities and Exchange Commission, FrieslandCampina WAMCO Nigeria PLC has in place, a Share Dealing Policy which regulates securities transactions by its directors, employees and other insiders on terms which are no less demanding than the required standard set out by the Securities and Exchange Commission.

The Directors of the Company and senior employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company in accordance with the provisions of the Investment and Securities Act 2007.

Therefore, the relevant persons are prohibited both when they are in possession of material non-public information about the Company's activities as well as during prescribed black-out periods.

10 Statement of compliance

We hereby affirm that the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance (NCCG) 2018 govern the operations of the Company and confirm that to the best of our knowledge, we are in compliance with the Code.

11 Suppliers

a. The Company's significant overseas suppliers are:

- Cargill Deutschland GmbH, Germany
- Damin Foodstuff Zhangzhou Co Ltd.
- Dsm Nutritional Products Europe Ltd
- FC C.V.
- FrieslandCampina Kievit B.V., The Netherlands
- FrieslandCampina Nederland B.V., The Netherlands
- Indeff FZ LLC
- Maersk Logistics & Services
- Tereos Starch & Sweetener
- Tetra Pak Export FZ
- Topec BV, The Netherlands

b. The Company's significant local suppliers are:

- Africa Access 3PL Limited
- African Truckers Limited
- Arvee Industries Limited
- Avon Crowns Cap Nigeria Plc
- Bollore Africa Logistics Nigeria Limited
- First Media Red Star Intl Company
- GMT Nigeria Limited
- Golden Oil Industries Limited
- Nampak Plc
- Presco Nigeria Limited
- Sonnex Packaging Nig Ltd.
- Supermaritime Nigeria Ltd.
- Veevee Paper Products Limited

Report of the directors continued

For the year ended 31 December 2021

12 Know-how and licence agreements

The Company has a Know-How Licence and Trademark Licence Agreement; a Research and Development Know-How Licence Agreement and a Dairy Development Agreement with FrieslandCampina Nederland B.V.

Under the agreements, technological, scientific and professional assistance are provided for the manufacture, quality control and packaging of the Company's products, new products development and training of personnel.

The Royalty charges as stipulated in the respective agreements are as follows:

- Know-How Licence and Trade mark Licence Agreement is 1% of the turnover of the products produced and sold by FrieslandCampina WAMCO Nigeria PLC and 2% of the Company's annual profit before tax.
- Research and Development Know-How Licence Agreement is 1% of the turnover of the products produced and sold by FrieslandCampina WAMCO Nigeria PLC.
- Dairy Development Agreement is 0.75% of the turnover of Evaporated and Ready-To- Drink products produced and sold by FrieslandCampina WAMCO Nigeria PLC.

The agreements are approved by the National Office for Technology Acquisition & Promotion (NOTAP).

13 Safety, health and environment

The Company is committed to safety, health and environment as core values of conducting business. Safety, health and environment regulations are in force within the Company's premises and employees are aware of existing regulations. Protective clothing and firefighting equipment are provided in the production areas, warehouses and offices. The Company provides healthcare benefits to employees and operates an on-site clinic in the factory premises. The on-site clinic is managed by a reputable hospital providing primary health care round the clock for employees at work. The Company complies with relevant statutory provisions and regulations on health, safety and welfare matters as well as providing the education required to enable compliance by employees. A week - long safety programme is organized every year, to get employees involved with matters of safety, health and environment.

14 E-dividend

The Company consistently encourages its shareholders to embrace the e-dividend and e-bonus introduced in the capital market. This is to enable prompt crediting of shareholders' accounts with their CSCS account with bonus shares. This will also eliminate the cost of posting dividend warrants and share certificates as well as the risk of being lost in the post.

15 Donations

Making a positive contribution to society is central to our purpose. The Company recognises its responsibility to the communities in which it operates and remains committed to supporting these through targeted programmes and initiatives. In 2021, the Company made donations amounting to ₦14,997,854 (2020: ₦615,659,348) as follows:

Charity donations	Amount in Naira
Samaritan Project, Ebute Metta	161,106
Old People's Home Yaba	161,106
Franciscan Sisters of the Immaculate, Lekki - Peninsula	161,106
SOS Children's Village Isolo	161,106
Red Cross Adekunle Yaba	161,106
Compassionate Orphanage, Igando	161,106
Heart of Gold Orphanage, Surulere	161,106
Ovie Brume Foundation, Victoria Island	161,106
St. Monica Orphanage, Iju Ishaga	161,106
Little Saints Orphanage, Palm Grove	252,674

Report of the directors continued

For the year ended 31 December 2021

Charity donations	Amount in Naira
Heritage Homes, Anthony Village	161,106
Our Lady of Lourdes Maternity & Clinic Ipetunmodu, Osun State	161,106
Oluyole Cheshire Home Ibadan, Oyo State	161,106
Jesus Children Mission Outreach, Bodija, Ibadan, Oyo State	161,106
Winnie's Castle of Love Orphanage Home, Ibadan, Oyo State	161,106
Little Sisters of the Poor Awkunana, Enugu State	322,212
Marian Monastery, Enugu State	161,106
Marble House of Sarah Ibusa, Delta State	161,106
Dominican Sisters' College Abatete, Anambra State	161,106
Madonna School for the Handicapped, Okpanam, Delta State	161,106
Methodist Motherless Babies Home, Aba, Abia State	161,106
Seventh Day Adventist Motherless Babies Home - Aba, Abia State	161,106
Chims Motherless Home	161,106
Ufon Abasi Orphanage	161,106
Bert Torey Home for the Mentally Handicapped Children, Zaria	161,106
Adonai Orphanage Home & Widow Center	161,106
Our Lady's Hospital & Orphanage Zawan,	161,106
Bethsida Orphanage Ikachi Benue	161,106
Child Care Trust, Gwari Abuja	161,106
Mother's Welfare Group, Asokoro, Abuja	161,106
	5,085,854
Tertiary endowment for dairy science research and award for best graduating student	
University of Ibadan - Dept of Food Technology	1,100,000
University of Maiduguri - Dept of Animal Science	1,100,000
University of Nigeria Nsukka - Dept of Food Science and Technology	1,100,000
University of Uyo- Dept of Animal Science	1,100,000
Federal University of Tech. Minna- Dept of Food Science and Technology	1,100,000
Modibbo Adama University of Technology, Yola - Dept of Food Science and Technology	1,100,000
	6,600,000
Others	
NOTAP - Industry Technology Transfer Fellowship (NITTF) for Nigerian students	3,000,000
Dairy Development Host Community Renovation Project (In-Kind Support through Iseyin Development Union)	312,000
	3,312,000
Total	14,997,854

In accordance with Section 43(2) of the Companies and Allied Matters Act, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year.

16 Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office as Auditors of the Company.

BY ORDER OF THE BOARD



Olubukunola Olateru FCIS (Mrs.)
Company Secretary
FRC/2018/ICSAN/00000017968

Lagos, Nigeria
24 February 2022

DCSL Corporate Services Limited

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Lagos, Nigeria

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RC NO. 352393

November 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF FRIESLANDCAMPINA WAMCO NIGERIA PLC FOR THE PERIOD SEPTEMBER 2020 TO 2021

DCSL Corporate Services Limited (DCSL) was appointed to undertake an appraisal of the Board of Directors of FrieslandCampina WAMCO Nigeria Plc (“FrieslandCampina” “the Company”) for the period September 2020 to 2021 in line with the provisions of **Principle 14 of the Nigerian Code of Corporate Governance, 2018 (“NCCG”)**. The evaluation entailed a comprehensive review of the Company’s corporate and statutory documents, the Minutes of Board and Committee meetings, policies currently in place, and other ancillary documents made available to us, Board and Peer Review Surveys administered as well as information derived from our interaction with Directors.

The appraisal centered on confirming the level of the Board’s compliance with corporate governance practices with particular reference to the provisions of the NCCG and the Securities and Exchange Commission (SEC) Corporate Governance Guidelines (“SCGG”) using the following seven key corporate governance parameters:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our review of the corporate governance standards and processes affirm that the Board has substantially complied with the provisions of the Securities and Exchange Commission (SEC) Corporate Governance Guidelines, the Nigerian Code of Corporate Governance and other relevant corporate governance standards. The activities of the Board and the Company are also in compliance with corporate governance best practice and individual Directors remain committed to enhancing the Company’s growth.

We have noted a few areas that require improvement and proffered appropriate recommendations in our detailed report, which we trust that the Board will take steps to address and implement.

Yours faithfully,

For: DCSL Corporate Services Limited



Bisi Adeyemi

Managing Director

FRC/2013/NBA/00000002716

Directors: • Abel Ajayi (Chairman) • Obi Ogbечи • Adeniyi Obe • Dr. Anino Emuwa • Adebisi Adeyemi (Managing Director)



Statement of directors' responsibilities

For the year ended 31 December 2021

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

- a) Ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020;
- b) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c) Preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020.

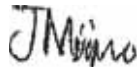
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493



Jacobs Moyo Ajekigbe, OFR
FRC/2013/IODN/000000002472



Marc Galjaard
FRC/2021/001/00000022800

24 February, 2022

Statement of corporate responsibility

For the year ended 31 December 2021

In compliance with Section 405 of the Companies and Allied Matters Act 2020, we hereby confirm that we have examined the audited financial statements for the accounting year ended 31 December 2021 and hereby certify that:

1. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.
2. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements.
3. Appropriate internal controls are in place to ensure that material information relating to the Company is made known to the management by other officers of the Company, particularly during the period in which the audited financial statements report is being prepared.
4. We evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements.
5. The Company's internal controls are effective as of that date.
6. We have disclosed to the company's Auditors and Audit Committee:
 - i. All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data.
 - ii. That there were no material weaknesses in the Company's internal control during the period identified for the company's auditors.
 - iii. That there were no occasion of fraud that involves management or other employees who have a significant role in the Company's internal control.
7. We have identified in the report whether or not there have been any 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.



Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493



Marc Galjaard
FRC/2021/001/00000022800

Certification of financial statements

Pursuant to Section 60(2) of Investment and Securities Act No. 29 Of 2007; we the undersigned hereby certify the following with regards to our financial statements for the year ended 31st December, 2021 that:

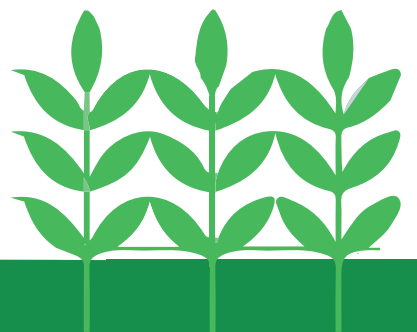
- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain;
 - i. Any untrue statement of a material fact, or
 - ii. Omit to state a material fact, or misleading in light of the circumstance under which such statements were made.
- c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report.
- d) We:
 - i. Are responsible for establishing and maintaining internal controls;
 - ii. Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - iii. Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - iv. Have present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
- e) We have disclosed to the auditors of the company and audit committee;
 - i. All significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report the financial data and have identified for the company's auditors any material weakness in internal controls, and
 - ii. Any fraud, whether or not material, that involves management or other employees who have significant roles in the company's internal controls.
- f) We have identified in the report whether or not there were significant changes in internal controls, or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493



Marc Galjaard
FRC/2021/001/00000022800



sustainability

Having a positive impact on farmers, societies and on our planet

Providing a growing world population with the right nutrients in a sustainable manner is one of the challenges facing us in the decades to come. Balance is key. By offering reliable, relevant and nutritious dairy products, we contribute to food and nutrient security, now and for generations to come.

"I feel happy working at Genius Dairy Farm Iseyin to provide quality dairy nutrition for Nigerians."

~ Dahood Jamiu Olaniyi
Young graduate farmer



Report of the Audit Committee

To the members of FrieslandCampina WAMCO Nigeria PLC
For the year ended 31 December 2021



In compliance with Section 404(7) of the Companies and Allied Matters Act 2020, we the members of the Audit Committee hereby confirm that we have examined the Auditors' Report for the accounting year ended December 31, 2021 and hereby declare that we have:

1. Reviewed the scope and planning of the audit requirements and found them adequate in our opinion.
2. Reviewed the financial statements for the year ended 31 December 2021 and are satisfied with the explanations obtained;
3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2021 are in accordance with legal requirements and agreed ethical practices.
4. Reviewed the effectiveness of the Company's system of accounting and internal control through a robust internal control framework.
5. Reviewed the External Auditor's management letter for the year ended 31 December 2021 and are satisfied with response from Management.

The External Auditors confirmed receiving full co-operation from the Company's management and that the scope of their work was not restricted in any way. We acknowledge the co-operation of Management in the conduct of our responsibilities.

At the last Annual General Meeting, a new member joined the Committee in person of Mrs. Olufunmilayo Balogun. Her contributions have been tremendous and duly appreciated by the Committee.

The Committee also had a tour of the Company's latest acquisition, the Ikorodu Plant. The Committee expressed confidence in the acquisition and noted that it would contribute significantly to the growth of the Company in terms of production of more volumes of the Company products.

Rev. Isaac Agoye
Chairman, Audit Committee
FRC/2015/ICAN/00000013104
Dated: 19 February 2022

Members of the Committee

Rev. Isaac Agoye - Chairman
Mrs. Olufunmilayo Balogun
Mr. Peter Eshikena

Sir Sunday N. Nwosu, KSS, GCOA, MloD
Mr. John Ogundipe



Independent auditor's report

To the Members of FrieslandCampina WAMCO Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, FrieslandCampina WAMCO Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

FrieslandCampina WAMCO Nigeria Plc's financial statements comprise:

- the statement of financial position as at 31 December 2021;
 - the statement of profit or loss and other comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises Financial Highlights, Notice of Annual General Meeting, Chairman's Statement, Board of Directors' Profile, Management Team Profile, Directors and Other Corporate Information, Report of the Directors, Report of the External Consultants on the Performance of the Board of Directors, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Certification of financial statements, Report of the Audit Committee, Key Highlights of our 2021 Sustainability Performance, Value Added Statement, Five-Year Financial Summary, 2021 In Review, Corporate Directory, Investor relations, Proxy Form, E-Dividend Activation Form and E-Products Activation Form (but

PricewaterhouseCoopers Chartered Accountants Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the FrieslandCampina WAMCO Nigeria Plc 2021 Annual Report, which are expected to be made available to us after that date.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the FrieslandCampina WAMCO Nigeria Plc 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Yinka Yusuf

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

Engagement Partner: Yinka Yusuf
FRC/2013/ICAN/0000005161





31 March 2022

Key highlights of our 2021 sustainability performance

12,458
training sessions conducted across the value chain under the Dairy Development






9,990
training sessions conducted for employees on technical and non-technical subjects

15.2m
consumers were reached digitally through the Peak 456 specialized nutrition education activities




9.4m
consumers were engaged on nutrition and lifestyle through the Three Crowns Fitness Challenge


Our approach to circular economy

- 97,000kg waste milk powder was sold to animal farmers for use as animal feed supplement
- We maintained a wastewater treatment plant and the treated water is used in our fish pond with about 510 fish. This shows that the quality of our treated waste water supports biological life
- 86% waste (now recyclable) was sold to licensed waste recyclers
- Increased training scope for the operatives to enhance safe material handlings and reduce waste

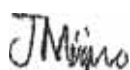
Statement of financial position

As at 31 December 2021

In thousands of Naira	Note	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	12	48,525,021	44,671,480
Right of use assets	13	216,117	1,118,193
Intangible assets	15	2,244,020	2,309,169
Biological assets	14	145,340	12,500
Total non-current assets		51,130,498	48,111,342
Current assets			
Inventories	18	48,863,748	31,308,968
Biological assets	14	131,999	177,348
Trade and other receivables	19	17,185,636	17,986,655
Prepayments	16	76,764,429	17,508,519
Derivative assets	20(a)	–	2,867,272
Cash and cash equivalents	20(b)	54,484,924	88,702,534
Total current assets		197,430,736	158,551,296
Total assets		248,561,234	206,662,638
Equity			
Share capital	21(a)	488,168	488,168
Share premium	21(a)	350,211	350,211
Retained earnings		25,495,777	25,452,534
Total equity attributable to owners of the Company		26,334,156	26,290,913
Liabilities			
Non-current liabilities			
Employee benefits	22	1,331,788	1,367,827
Deferred tax liabilities	17	6,497,864	7,012,917
Loans and borrowings	24(b)	4,583,083	8,997,038
Government grant	24(c)	924,349	625,445
Lease liabilities	25	73,813	791,455
Total non-current liabilities		13,410,897	18,794,682
Current liabilities			
Current tax liabilities	10(b)	8,679,892	6,205,189
Trade and other payables	23	149,999,227	92,301,163
Loans and borrowings	24(a)	48,651,653	62,870,779
Government grant	24(c)	164,220	99,912
Derivative liabilities	20(a)	1,321,189	–
Lease liabilities	25	–	100,000
Total current liabilities		208,816,181	161,577,043
Total liabilities		222,227,078	180,371,725
Total equity and liabilities		248,561,234	206,662,638

The accompanying notes and significant accounting policies on pages 54 to 96 form an integral part of these financial statements.

The financial statements and other national disclosures on pages 49 to 99 were approved by the Board of Directors on 24 February 2022 and signed on its behalf by:



Chairman - Jacobs Moyo Ajekigbe, OFR
FRC/2013/IODN/000000002472



Managing Director - Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493



Finance Director - Marc Galjaard
FRC/2021/001/00000022800

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

In thousands of Naira	Note	2021	2020
Revenue from contracts with customers	5	268,430,580	199,527,906
Cost of sales	7(a)	(224,780,022)	(159,232,853)
Gross profit		43,650,558	40,295,053
Other income	8	11,477	750,812
Selling and distribution expenses	7(a)	(16,576,028)	(15,994,528)
Administrative expenses	7(a)	(5,078,378)	(5,676,577)
Net Impairment (losses)/writeback on financial assets	26	(6,051)	46,734
Operating profit		22,001,578	19,421,494
Finance income	6	2,869,274	1,464,539
Finance costs	6	(12,168,111)	(5,946,784)
Net finance costs		(9,298,837)	(4,482,245)
Profit before income tax	7(b)	12,702,741	14,939,249
Income tax expense	10(a)	(5,117,075)	(6,160,363)
Profit for the year		7,585,666	8,778,886
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement gain/(loss) on defined benefit obligations	22(b)	160,073	(105,866)
Income tax on other comprehensive income	10(c)	(48,022)	31,760
Other comprehensive income for the year, net of income tax		112,051	(74,106)
Total comprehensive income for the year		7,697,717	8,704,780
Profit for the year is attributable to:			
Owners of the Company		7,585,666	8,778,886
Total comprehensive income for the year is attributable to:			
Owners of the Company		7,697,717	8,704,780
Earnings per share			
Basic and diluted earnings per share (Naira)	11	7.77	8.99

The accompanying notes and significant accounting policies on pages 54 to 96 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2021

In thousands of Naira	Note	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2020		488,168	350,211	23,396,602	24,234,981
Profit for the year		--	--	8,778,886	8,778,886
Other comprehensive income for the year, net of income tax		--	--	(74,106)	(74,106)
Total comprehensive income for the year		--	--	8,704,780	8,704,780
Transactions with owners, recorded directly in equity					
Dividends	21(b)	--	--	(6,648,848)	(6,648,848)
Balance as at 31 December 2020		488,168	350,211	25,452,534	26,290,913
Balance at 1 January 2021		488,168	350,211	25,452,534	26,290,913
Profit for the year		--	--	7,585,666	7,585,666
Other comprehensive income for the year, net of income tax		--	--	112,051	112,051
Total comprehensive income for the year		--	--	7,697,717	7,697,717
Transactions with owners, recorded directly in equity					
Dividends	21(b)	--	--	(7,654,474)	(7,654,474)
Balance as at 31 December 2021		488,168	350,211	25,495,777	26,334,156

The accompanying notes and significant accounting policies on pages 54 to 96 form an integral part of these financial statements.

Statement of cashflows

For the year ended 31 December 2021

In thousands of Naira	Note	2021	2020
Cash flows from operating activities			
Profit before tax		12,702,741	14,939,249
Adjustments for:			
Depreciation of property, plant and equipment	12	4,464,668	3,115,430
Amortisation of intangible assets	15	137,753	123,183
Depreciation right of use assets	13	74,116	17,827
Impairment loss of property, plant and machinery	12	104,036	--
Long service award expense	22(a)	202,119	176,125
Unrealised fair value change in derivatives	6	2,000,793	(1,463,156)
Other post employment benefit expense	22(b)	66,766	47,578
Remeasurement (gain)/loss on defined benefit obligations		(68,604)	232,527
Interest income	6	(2,638,776)	(398,843)
Amortisation of government grant	6	(230,498)	--
Interest expense	6	4,679,665	2,850,908
Foreign exchange loss	7	1,427,316	3,018,335
Loss/(gain) on disposal of property, plant and equipment	12a(ii)	(30,330)	20,091
		22,891,765	22,679,254
Change in working capital:			
Inventories		(17,554,780)	(6,400,018)
Trade and other receivables		801,019	(3,153,746)
Prepayments		(59,255,910)	4,907,231
Trade and other payables*		57,698,064	32,273,214
Cash generated from operating activities		4,580,158	50,305,935
Income tax paid	10(b)	(3,037,731)	(3,759,829)
Long service award benefits paid	22	(76,247)	(76,918)
Net cash (used in)/generated from operating activities		1,466,180	46,469,188
Cash flow from investing activities			
Interest received	6	2,554,166	398,843
Proceeds from sale of property, plant and equipment	12a(ii)	38,977	34,566
Acquisition of intangible assets	15	(72,604)	(1,791,801)
Acquisition of right of use assets	13	--	(244,566)
Acquisition of biological assets	14	(87,491)	(189,848)
Acquisition of property, plant and equipment	12	(8,430,893)	(13,279,167)
Net cash used in investing activities		(5,997,845)	(15,071,973)
Cash flow from financing activities			
Interest paid	6	(3,721,060)	(2,850,908)
Dividends paid to company's shareholders	21(b)	(2,716,365)	(18,221,269)
Proceeds from loans and borrowings		3,500,000	103,805,609
Repayment of loans and borrowings		(26,759,997)	(33,318,064)
Net cash (used in)/generated from financing activities		(29,697,422)	49,415,368
Net (decrease)/increase in cash and cash equivalents		(34,229,087)	80,812,583
Cash and cash equivalent at 1 January	20(b)	88,702,534	7,857,211
Effect of exchange rate fluctuations on cash held		11,477	32,740
Cash and cash equivalent at 31 December	20(b)	54,484,924	88,702,534

*Change in trade and other payables has been adjusted for the effect of movements in dividend payable.

The accompanying notes and significant accounting policies on pages 54 to 96 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2021

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Notes to the financial statements continued

For the year ended 31 December 2021

1 Reporting entity

FrieslandCampina WAMCO Nigeria PLC (“the Company”) is a company domiciled in Nigeria. The address of the Company’s registered office is Plot 7b Acme road, Ikeja Industrial Estate, Ogba, Lagos. The Company was incorporated in Nigeria as a private limited liability company on 17 April 1973, commenced operations on 13 September 1975 and became a public limited liability company in 1978.

The Company is principally engaged in the manufacturing and marketing of evaporated milk, instant milk powder, ready to drink beverages and other dairy based products.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Company’s Board of Directors on 24 February 2022.

The financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cashflows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company’s financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except for the defined benefit obligations which are recognised at present value as explained in Note 3(i) and derivative financial instruments recognised at fair value.

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company’s functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

3 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity’s functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on the settlement of monetary assets and liabilities are recognised in profit or loss in the period which they arise.

Notes to the financial statements continued

For the year ended 31 December 2021

Non-monetary items that are measured based on historical cost in a foreign currency are not re-translated.

b) Financial instruments

i) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss. The Company does not currently have financial assets measured at fair value through profit or loss.

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

The business models applied to assess the classification of the financial assets held by the Company are:

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

The Company's financial assets that are held to collect contractual cash flows are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets). The financial assets are measured at amortised cost.

Derivative assets are recognised at fair value.

The Company's financial assets include trade and other receivables, and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date which are included in non-current assets. Interest income from these assets is included in finance income using the effective interest rate method.

The Company's financial assets include trade and other receivables, cash and cash equivalents and derivative financial assets. They are included in current assets, except for maturities greater than 12 months after the reporting date which are included in non-current assets. Interest income from these assets is included in finance income using the effective interest rate method.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition net of directly attributable transaction costs and subsequently measured at amortised cost.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss.

The Company's financial liabilities include trade and other payables, borrowings and derivative financial liabilities.

Notes to the financial statements continued

For the year ended 31 December 2021

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently measured to their fair value at the end of each reporting period. The accounting for subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

ii) Impairment of financial assets

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

The simplified approach is applied to trade receivables while the general approach is applied to cash and cash equivalents, and other receivables.

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

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as 12 month ECL which is a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. External data was also sourced from Moody's corporate recovery rates to determine the LGD for some financial assets. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the unemployment rate in Nigeria, inflation rate, and crude oil prices to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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

Significant increase in credit risk and default definition

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

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

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

Notes to the financial statements continued

For the year ended 31 December 2021

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as other income/ (losses).

Financial liabilities

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

iv) Offsetting of financial assets and financial liabilities

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

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

c) 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 assets under construction. 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 lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

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 administrative expenses.

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 Company 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.

Notes to the financial statements continued

For the year ended 31 December 2021

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

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

Asset class	Useful life
• Leasehold land	99 years
• Buildings	25 years
• Plant and machinery	
- Workshop machinery	20 years
- Filling and packaging machinery/lines	10 years
- Labelling, box packers and palletizers	15 years
- Utilities and other plant and machinery	13 years
• Motor vehicles	4 years
• Furniture, fittings and tools	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. There were no adjustments during the year.

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

d) Intangible assets

i. Software

Purchased software with finite useful life is measured at cost less accumulated amortisation and accumulated impairment losses.

ii. 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 is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life for the current and comparative periods is as follows:

Computer software 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Notes to the financial statements continued

For the year ended 31 December 2021

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the right of use asset is measured at cost, and the lease liability is measured at the present value of the lease payments that are not paid at that date.

After the commencement date, the right of use asset is measured at cost minus accumulated depreciation, accumulated impairments, and/or adjusted for any remeasurements or modifications.

After the commencement date, the lease liability is measured by increasing the carrying amount with interest on the lease liability, by reducing the carrying amount to reflect the lease payments made and by adjusting for any remeasurements or modifications.

Lease expenses for short term, low value and variable leases, as well as non-lease components, are expensed directly in the income statement.

Determining whether an arrangement is, or contains, a lease

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

For identifying a lease or a lease component, there must be;

- i) **An identified asset:** An asset is typically identified by being explicitly specified in a contract (for example; an address or license plate). However, an asset can also be identified by being implicitly specified at the time that the asset is made available for use by the customer (for example, when it is clear to all parties which asset is meant, for example when the lessor only has one asset to fulfill its contractual obligations with). A portion of an asset's capacity can also be an identified asset.
- ii) **The right to control the use of an identified asset:** To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following.
 - a) The right to obtain substantially all of the economic benefits from use of the identified asset;
 - b) The right to direct the use of the identified asset.

Initial recognition

At the commencement date, when a lessee starts using the leased asset, a lessee shall recognise a right-of-use asset and a lease liability.

Right of use assets

At the commencement date, a lessee shall measure the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise (IFRS 16.24):

1. The amount of the initial measurement of the lease liability;
2. Any lease payments made at or before the commencement date, less any lease incentives received;
3. Any initial direct costs incurred by the lessee; and
4. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Depreciation

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Notes to the financial statements continued

For the year ended 31 December 2021

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date (IFRS 16.27):

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Interest expense

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Subsequent measurement

Right of use assets

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model.

To apply a cost model, a lessee shall measure the right-of-use asset at cost (IFRS 16.30):

1. Less any accumulated depreciation and any accumulated impairment losses; and
2. Adjusted for any remeasurement of the lease liability or for any modifications.

Lease liability

After the commencement date, a lessee shall measure the lease liability by (IFRS 16.36):

1. Increasing the carrying amount to reflect interest on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made; and
3. Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than \$5,000 when new, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Notes to the financial statements continued

For the year ended 31 December 2021

g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw and packaging materials, spares and purchased finished goods	purchase cost on a first-in, first-out basis, including transportation and clearing costs
Finished goods in process	cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Goods-in-transit	purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Engineering spares are classified as inventory and are recognised in the profit and loss account as consumed.

Allowance is made for obsolete, slow moving or defective items where appropriate.

h) Biological assets (Agricultural assets)

Biological assets comprise cattle and harvested produce. The cattle and the harvested produce are recognised at fair value less costs to sell, based on market prices of livestock of similar age, breed and genetic merit with adjustments, where necessary, to reflect the differences. The determination of fair value is based on active market values, where appropriate, or management's assessment of the fair value based on available data and benchmark statistics.

The harvested produce is kept as inventory to feed the cattle.

Gains and losses from changes in fair value less costs to sell are included in profit or loss for the period in which it arises;

All costs of producing and harvesting biological assets should be expensed when incurred.

i) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods.

In line with the provisions of the Pension Reform Act 2014 (as amended), the Company has instituted a defined contribution pension scheme for their permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognised as an employee benefit expense in profit or loss in the periods which related services are rendered by employees. Employees contribute 8% each of the relevant emoluments to the fund on a monthly basis while the Company contributes 10% to the pension fund and an additional 5% to an investment fund.

ii. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the net of any unrecognised past service cost and actuarial losses plus the present value of economic

Notes to the financial statements continued

For the year ended 31 December 2021

benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the company's obligation.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income and directly in retained earnings. The Company's defined benefit plan is unfunded.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The company's other long-term employee benefits comprise of a long service award scheme that it has for its employees. The Company's liability with respect to this scheme is determined by an independent actuarial valuation every year by discounting to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized in profit or loss in the period they arise. The effect of any curtailment is also charged in full in profit or loss immediately when the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the company's obligation. The Company ensures that adequate arrangements are in place to meet its obligations under the scheme. The other long-term employee benefits is unfunded.

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

v. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

j) Provisions

AA provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in the statement of profit or loss and other comprehensive income.

k) 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 company, 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.

Notes to the financial statements continued

For the year ended 31 December 2021

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.

l) Revenue recognition

The Company recognises revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those services. A valid contract is recognised as revenue after;

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

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

Sale of goods

Sale of goods arises from exports and domestic sales. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are delivered to the customer or picked up by the customers. This is at a point in time.

The Company transfers the control to the customers after the goods have been delivered to the customer. The customer obtains the right to return goods that are bad or damaged after they have been delivered.

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

Revenue from sale of goods is recognised based on the price specified in the contract, net of estimated rebates, slotting fees, and any estimated returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is not material.

Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

Slotting fees are payments to retail outlets for strategic display sections for the company's products. The amount paid is recognized as a reduction of the transaction price.

m) Finance income and finance costs

Finance income and finance costs

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings computed using effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method, otherwise they are capitalised.

Foreign currency gains and losses related to financing or investing activities are presented as part of finance income and expense. Foreign currency gains and losses on financial assets and financial liabilities that arise from operating activities, e.g. payables arising on the purchase of goods, are presented as part of cost of goods sold.

Notes to the financial statements continued

For the year ended 31 December 2021

Gain or loss on derivative financial instruments arising from forward contracts that were entered into, in order to mitigate the exchange rate risk on borrowings denominated in foreign currency, are presented as part of finance income or finance cost, depending on whether the changes in fair value result in a net gain or net loss position. Changes in fair value of other types of derivative financial instruments are recognised in other income or expense

n) Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax is recognised in profit or loss except for items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

- Company Income Tax - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended to date.
- Tertiary Education Tax - Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is not recognized for the following temporary differences:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

p) Cash and cash equivalent

In the statement of cash flow, cash and cash equivalent include cash in hand, bank deposits repayable on demand, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the financial statements continued

For the year ended 31 December 2021

q) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All of the Company's products have similar risks and returns thus management does not use operating segments' operating results to make decisions about resources to be allocated to the segment and assess its performance.

r) Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

The Securities and Exchange Commission (SEC) published a circular directing Capital Market Registrars to return all unclaimed dividend which has been in their custody for fifteen (15) months and above to the paying companies. These unclaimed dividends are included as a liability to the shareholders.

s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The benefit of the government loan at a below-market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with IFRS 9 Financial Instruments. The below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received.

Amortisation of government grant is recognised as finance income.

t) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are required. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interest issued by the group
- Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets required and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest's proportionate share of the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expenses as incurred.

The excess of the:

- Consideration transferred,
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Notes to the financial statements continued

For the year ended 31 December 2021

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

u) Borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest-bearing loans and overdrafts are recognised initially at fair value, net of direct costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Loans for which the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, are classified as non-current liabilities.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method, otherwise they are capitalised.

v) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost is also included in financing activities while finance income received is included in investing activities.

w) New standards, amendments and interpretations adopted by the Company

The Company has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

- Covid-19-related-rent-concessions-amendment to IFRS 16, and
- Interest rate benchmark reform-Phase 2-amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Annual improvements to IFRS standards 2018-2020, and
- Deferred Tax related to assets and liabilities arising from a single transaction-amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

x) New standards and interpretations Not Yet Adopted

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

Notes to the financial statements continued

For the year ended 31 December 2021

4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimations uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2021 is as follows:

Defined benefit obligations

The cost of the defined benefit pension plan, long service awards, and other post-employment benefits and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See further details on the assumptions made for the year, including the sensitivity analysis carried out, in note 22 (e).

Income taxes and deferred tax

The Company is subject to income taxes within Nigeria, which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilise the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income are based on forecast cash flows from operations.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed note 26.

Estimating the incremental borrowing rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and condition. To determine the incremental borrowing rate, the company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing. The incremental borrowing rate used by the company for its leases is 16.25%.

Derivative financial instruments

These are foreign currency forwards which the present value of the future cash flows are based on the forward exchange rates at the balance sheet date. The resulting fair value estimates are included in level 2.

Notes to the financial statements continued

For the year ended 31 December 2021

4.1 Fair value measurement

Financial instruments measured at fair value

In thousands of Naira	Level 1	Level 2	Level 3	Total
Recurring fair value measurement 2021				
Financial assets				
Derivative asset	-	-	--	-
Recurring fair value measurement 2020				
Financial assets				
Derivative asset	-	2,867,272	--	2,867,272
Recurring fair value measurement 2021				
Financial liabilities				
Derivative liabilities	-	1,321,189	--	1,321,189
Recurring fair value measurement 2020				
Financial assets				
Derivative liabilities	-	--	--	-

Valuation techniques used to determine fair value

In determining the fair value of the derivative asset, the Company used the present value of future cash flows based on the forward exchange rates at the balance sheet date.

Financial instruments not measured at fair value

In thousands of Naira	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	54,484,924	54,484,924	88,702,534	88,702,534
Trade and other receivables	17,185,636	17,185,636	17,986,655	17,986,655
	71,670,560	71,670,560	106,689,189	106,689,189
Financial liabilities				
Trade and other payables	150,947,512	150,947,512	92,301,163	92,301,163
Borrowings	53,375,020	53,375,020	71,867,817	71,867,817
	204,322,532	204,322,532	164,168,980	164,168,980

The fair value for cash and cash equivalents, trade and other receivables, trade and other payables are not significantly different from their carrying amount.

Notes to the financial statements continued

For the year ended 31 December 2021

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the borrowings are of a short-term nature.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Fair value methods and assumptions

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Fund is the current dirty price. These instruments are included in Level 1.

(b) Financial instrument in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- a) Quoted market prices or dealer quotes for similar instruments;
- b) Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Derivative financial instruments are included in this level.

(c) Financial instruments in level 3

Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

Transfers between the fair value hierarchy categories

During the three reporting periods covered by these financial statements, there were no movements between levels as a result of significant inputs to the fair valuation process becoming observable or unobservable.

5 Revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major product categories;

In thousands of Naira	2021	2020
Sales of domestically produced goods	254,601,078	183,718,559
Sales of imported goods	13,829,502	15,809,347
	268,430,580	199,527,906

Disaggregation of revenue from contracts with customers

Analysis of revenue from sale of goods by geographical area is as follows:

In thousands of Naira	2021	2020
Local	268,165,509	199,167,003
Export (Note 29 (c) (ii))	265,071	360,903
	268,430,580	199,527,906

Notes to the financial statements continued

For the year ended 31 December 2021

6 Finance income and finance cost

In thousands of Naira		2021	2020
Interest income on short term deposit		2,638,776	398,843
Amortization of government grant	Note 24(c)	230,498	--
Foreign exchange gain		--	1,065,696
Finance income		2,869,274	1,464,539
Interest expense on overdrafts, loans and borrowings		(4,669,345)	(2,850,908)
Interest expense on lease liabilities		(10,318)	--
(Loss)/gain on derivative instruments at fair value through profit or loss		(2,000,793)	679,604
Foreign exchange loss		(5,487,655)	(3,775,480)
Finance costs		(12,168,111)	(5,946,784)
Net finance costs		(9,298,837)	(4,482,245)

7(a) Analysis of expenses by nature

In thousands of Naira		2021	2020
Finished goods, raw materials and consumables		204,200,129	140,952,773
Foreign exchange loss		1,427,316	3,018,335
Transportation cost		5,200,684	3,521,002
Technical service and royalty expenses	Note 29c	5,216,793	4,559,415
Advertisement and promotion costs		4,970,164	5,874,670
Market research expenses		290,374	283,470
Agency personnel cost		910,225	864,923
Employee benefit expense	Note 9(a)	10,664,242	10,722,142
Non-executive Directors' remuneration		72,886	75,263
Depreciation of property plant and equipment	Note 12	4,464,668	3,115,430
Depreciation of right of use assets	Note 15	74,116	17,827
Amortisation of intangible assets	Note 15	137,753	123,183
Impairment on property, plant & equipment	Note 12	104,036	--
Equipment and machinery rental		106,716	101,276
Rent of premises	Note 7(c)	171,088	165,746
Audit Fees		31,921	30,900
Professional fees		197,068	386,883
Maintenance		2,398,200	1,856,511
Fuel and gas expenses		2,060,847	1,337,660
Meeting and conference expenses		63,755	164,926
Travel and hotel expenses		198,205	75,300
Information and Communications Technology (ICT) expenses		1,689,910	1,473,906
Insurance expenses		784,271	611,636
(Gain)/loss on the sale of property, plant and equipment		(30,330)	20,091
Facility expenses		501,008	498,347
Bank charges		140,849	138,310
Staff welfare and development		167,553	163,867
Office administration & supplies		204,982	134,507
Donations		14,998	615,659
Total cost of sales, selling, distribution and administrative expenses		246,434,428	180,903,958
Summarised as follows:			
Cost of sales		224,780,022	159,232,853
Selling and distribution expenses		16,576,028	15,994,528
Administrative expenses		5,078,378	5,676,577
		246,434,428	180,903,958

Details of other professionals providing other forms of assurance on the financial statements are disclosed in note 22.

Notes to the financial statements continued

For the year ended 31 December 2021

7(b) Profit before tax

Profit before income tax is stated after charging/(crediting):

In thousands of Naira	Note	2021	2020
Amortisation of intangible assets	15	137,753	123,183
Audit Fees		31,921	30,900
Depreciation of property, plant and equipment	12	4,464,668	3,115,430
Depreciation of right of use asset	13	74,116	17,827
Impairment of property, plant and equipment	12	104,036	--
Non-executive directors' fees	9(c)	1,840	1,840
(Gain)/loss on the sale of property, plant and equipment		(30,330)	20,091
Equipment and machinery rental		106,716	101,276
Operating lease payments - Business premises		171,088	165,746
Employee benefit expenses	9(a)	10,664,242	10,722,142
Technical service and royalty expenses	29(c)(i)	5,216,793	4,559,415

7(c) Short term leases

In thousands of Naira	2021	2020
Business premises	171,088	165,746
	171,088	165,746

8 Other (cost)/income

In thousands of Naira	2021	2020
Gain on derivative instruments at fair value through profit or loss*	--	783,552
Gain/(Loss) on translation of foreign currency balances	11,477	(32,740)
	11,477	750,812

*Gain on derivative instruments at fair value through profit or loss in 2020 related to gain on non-deliverable forward (NDF) contract of trade obligations.

Notes to the financial statements continued

For the year ended 31 December 2021

9 Personnel expenses

(a) Employee benefit expenses for the year comprise of the following:

In thousands of Naira	2021	2020
Salaries, wages and allowances	9,618,464	9,471,253
Contributions to compulsory pension fund scheme	845,497	794,660
Employee benefits expenses	200,281	456,229
	22	
	10,664,242	10,722,142

(b) Employees of the Company, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

		2021 Number	2020 Number
₦	₦		
1,290,001	- 1,790,000	12	20
1,790,001	- 2,290,000	32	31
2,290,001	- 2,790,000	19	12
2,790,001	- 3,290,000	2	3
3,290,001	- 3,790,000	3	1
3,790,001	- 4,290,000	2	1
4,290,001	- 4,790,000	2	10
4,790,001 and above		680	690
		752	768

Total employee number reduced due to vacancies created by resignations.

The number of full-time persons employed per function as at 31 December was as follows:

	2021 Number	2020 Number
Production	443	443
Supply chain	55	62
Sales and marketing	199	202
General administration	55	61
	752	768

(c) Remuneration of Managers of the Company

In thousands of Naira	2021	2020
Remuneration paid to Managers of the Company	485,916	462,091

Notes to the financial statements continued

For the year ended 31 December 2021

(d) Chairman and directors remuneration

Remuneration paid to directors of the Company was as follows:

In thousands of Naira	2021	2020
Executive directors	174,893	148,294
Directors fees - Non-executive	1,840	1,840
Other emoluments (Non-executive Directors)	71,046	73,423
	247,779	223,557

The directors' remuneration shown above includes:

In thousands of Naira	2021	2020
Chairman's fees	440	440
Chairman's gross emoluments (excluding fees)	11,985	12,449
Highest paid Director	77,817	71,727

(e) The number of directors excluding the Chairman and the highest paid director with gross emoluments within the bands stated below were:

	2021 Number	2020 Number
₦ 6,000,001 - 8,000,000	--	--
₦ 8,000,001 - 10,000,000	--	--
₦ 10,000,001 - 12,000,000	2	1
₦ 12,000,000 - 14,000,000	5	6

Notes to the financial statements continued

For the year ended 31 December 2021

10 Income taxes

(a) Amounts recognised in profit or loss

In thousands of Naira	2021	2020
Current tax expense		
Current year tax	6,201,739	4,983,084
Current year tertiary education tax	496,337	407,972
	6,698,076	5,391,056
Deferred tax expense		
Origination and reversal of temporary differences	Note 17 (1,581,001)	769,307
Total income tax expense recognised in profit or loss	5,117,075	6,160,363

(b) Current tax liabilities

Movement in current tax liabilities during the year was as follows:

In thousands of Naira	2021	2020
At 1 January	6,205,189	4,856,350
Current tax expense	Note 10 (a) 6,698,076	5,391,056
Over provision prior period	(1,185,642)	(282,388)
Payments in the year	(3,037,731)	(3,759,829)
At 31 December	8,679,892	6,205,189

(c) Amounts recognised directly in other comprehensive income

In thousands of Naira	2021	2020
(Gain)/Loss in remeasurement of defined benefit liability	Note 22(b) (160,073)	105,866
Tax expense	48,022	(31,760)
	(112,051)	74,106

Notes to the financial statements continued

For the year ended 31 December 2021

(d) Reconciliation of effective tax rate

In thousands of Naira	2021	2021	2020	2020
Profit before income tax		12,702,741		14,939,249
		12,702,741		14,939,249
Income tax using the Company's domestic tax rate	30.00%	3,810,822	30.00%	4,481,775
Tertiary education tax	2.00%	254,055	2.73%	407,972
Tax effect of:				
Non deductible expenses	32.28%	4,100,291	19.03%	2,842,615
Exempt income	-0.69%	(87,818)	-5.74%	(857,614)
Change in recognised deductible temporary differences	-24.25%	(3,080,355)	-6.40%	(956,339)
Tax incentive	0.95%	120,080	1.62%	241,954
	40.28%	5,117,074	41.24%	6,160,363

11 Earnings per share

The calculation of basic and diluted earnings per share has been based on the profit attributable to ordinary shareholders of ₦7,585,666,000 (2020: ₦8,778,886,000) and the weighted average number of ordinary shares outstanding of 976,335,936 (2020: 976,335,936).

The Company did not have any instruments with a dilutive effect during the year thus basic and diluted earnings per share are equal.

In thousands of Naira	2021	2020
Profit attributable to shareholders (₦'000)	7,585,666	8,778,886
Number of ordinary shares in issue (thousands)	976,336	976,336
Basic and diluted earnings per share (Naira)	7.77	8.99

Notes to the financial statements continued

For the year ended 31 December 2021

12 Property, plant and equipment

(ai) The movement for the year is as follows:

In thousands of Naira	Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Assets under construction	Total
Cost							
Balance at 1 January 2020	1,607,967	8,651,155	22,426,953	4,001,859	2,551,817	9,207,972	48,447,723
Additions	2,150,000	2,417,633	1,410,129	54,899	81,525	7,164,981	13,279,167
Transfers	–	896,870	7,531,828	821,439	710,348	(9,960,485)	–
Disposals	–	–	(57,265)	(51,835)	(279,420)	–	(388,520)
Balance at 31 December 2020	3,757,967	11,965,658	31,311,645	4,826,362	3,064,270	6,412,468	61,338,370
Balance at 1 January 2021	3,757,967	11,965,658	31,311,645	4,826,362	3,064,270	6,412,468	61,338,370
Additions	–	–	–	–	–	8,430,893	8,430,893
Transfers	–	918,230	3,677,937	1,153,021	555,727	(6,304,915)	–
Disposals**	–	–	(3,250)	(526,694)	(15,325)	–	(545,269)
Balance at 31 December 2021	3,757,967	12,883,888	34,986,332	5,452,689	3,604,672	8,538,446	69,223,994
Depreciation							
Balance at 1 January 2020	528,640	2,487,223	7,477,015	2,266,215	1,126,230	–	13,885,323
Depreciation for the year	65,513	438,615	1,575,092	757,821	278,389	–	3,115,430
Disposals	–	–	(16,652)	(51,835)	(265,376)	–	(333,863)
Balance at 31 December 2020	594,153	2,925,838	9,035,455	2,972,201	1,139,243	–	16,666,890
Balance at 1 January 2021	594,153	2,925,838	9,035,455	2,972,201	1,139,243	–	16,666,890
Depreciation for the year	93,465	650,491	2,314,817	987,161	418,734	–	4,464,668
Disposals**	–	–	(1,259)	(520,560)	(14,802)	–	(536,621)
Impairment	–	–	104,036	–	–	–	104,036
Balance at 31 December 2021	687,618	3,576,329	11,453,049	3,438,802	1,543,175	–	20,698,973
Carrying amounts							
At 31 December 2020	3,163,814	9,039,820	22,276,190	1,854,161	1,925,027	6,412,468	44,671,480
At 31 December 2021	3,070,349	9,307,559	23,533,283	2,013,887	2,061,497	8,538,446	48,525,021

** ₦526.7 million of the historical costs of the assets disposed in 2021 relates to motor vehicles sold at fair value to staff while ₦18.6 million relates to an old Generator and Laptops that are no longer useful for the business, and sold at fair value to Staff. The motor vehicles resulted in assets disposal gain of ₦31.9 million and the laptops and Generator in a loss of ₦1.6million (Total net disposal gain is ₦30.3 million). See details in 12(a) (ii).

Notes to the financial statements continued

For the year ended 31 December 2021

(a) The result on disposal of Property, plant and equipment is as follows:

In thousands of Naira	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Total
2020				
Cost	57,265	51,835	279,420	388,520
NBV at Disposal	40,613	--	14,044	54,657
Sales Proceeds	--	34,566	--	34,566
Profit/(loss) on disposal	(40,613)	34,566	(14,044)	(20,091)
2021				
Cost	3,250	526,694	15,325	545,269
NBV at Disposal	1,990	6,134	523	8,647
Sales Proceeds	400	37,997	580	38,977
Profit/(loss) on disposal	(1,590)	31,863	57	30,330

(b) Property, plant and equipment under construction

Expenditure on property, plant and equipment under construction during the year is analysed as follows:

In thousands of Naira	2021	2020
Buildings	677,242	757,819
Plant and machinery	6,772,417	5,355,570
Others	981,234	1,051,592
	8,430,893	7,164,981

At year end, the Company had various ongoing capital projects which included, Dairy Development programme, Ikorodu Evap Cans upgrade, Independent Power Plant (IPP) 11 KVA, Fire Suppression system, Waste Water Channelization, Yoghurt 1 Litre Line and expansion of factory capacity. The projects are expected to be completed in 2022.

No borrowing costs were capitalised in the current year as there were no qualifying assets. That is, there are no assets that are expected to necessarily take a substantial period of time to get ready for their intended use or sale.

(c) Capital commitments

The approved capital expenditure already committed as at reporting date was ₦2.7 billion (2020: ₦1.4 billion). There was no capital expenditure approved not contracted in 2021 (2020: Nil). Capital expenditure will be funded from the Company's internal resources.

(d) There was no property, plant and equipment that was pledged as security for borrowings at year-end (2020: Nil).

Notes to the financial statements continued

For the year ended 31 December 2021

(e) Assets held on finance lease

Included as part of property, plant and equipment is land held under finance lease arrangements for a minimum lease term of 99 years. The lease amounts were fully paid at the inception of the lease. The carrying amount of the leasehold land at the end of the year is presented below:

In thousands of Naira	2021	2020
Cost	3,757,967	3,757,967
Accumulated depreciation	(687,618)	(594,153)
Carrying amount	3,070,349	3,163,814

The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards of ownership incidental to ownership of the land to the Company.

13 Right of use assets

The movement in right of use assets for the year was as follows:

In thousands of Naira	Warehouse	Land	Total
Cost			
Balance at 1 January 2020	--	--	--
Additions	244,566	891,454	1,136,020
Balance at 31 December 2020	244,566	891,454	1,136,020
Balance at 1 January 2021	244,566	891,454	1,136,020
Additions	--	--	--
Lease modification	--	(827,960)	(827,960)
Balance at 31 December 2021	244,566	63,494	308,060
Depreciation and impairment losses			
Balance at 1 January 2020	--	--	--
Depreciation for the year	17,827	--	17,827
Balance at 31 December 2020	17,827	--	17,827
Balance at 1 January 2021	17,827	--	17,827
Depreciation for the year	74,116	--	74,116
Balance at 31 December 2021	91,943	--	91,943
Carrying amounts			
At 1 January 2021	226,739	891,454	1,118,193
At 31 December 2021	152,623	63,494	216,117

Right of use assets includes ₦63million which is as a result of the accounting for lease of Bobi grazing reserve in Niger State. The reduction in the cost at the end of December 2021 is due to the renegotiation with Niger state to reduce the number of hectares and rental charge per annum. The Bobi Grazing Reserve was not accounted for as leasehold land in property, plant and equipment, because of its shorter duration (40 years), which is not considered as long enough to be deemed a transfer of substantially all of the risks and rewards of ownership incidental to ownership of the land to the Company.

Notes to the financial statements continued

For the year ended 31 December 2021

14 Biological assets

The movement in Biological assets for the year was as follows:

In thousands of Naira	2021	2020
Cost		
Balance at 1 January 2021	189,848	--
Additions	87,491	189,848
Balance at 31 December 2021	277,339	189,848
Current	131,999	177,348
Non current	145,340	12,500
	277,339	189,848

Biological assets include seeds/crops such as Guinea grass and Congo grass, as well as cattle which are located in Bobi grazing reserve in Niger state. The seeds/crops are used to feed the cattle when they are harvested. The carrying amount of the cattle is ₦145 million (2020: ₦12.5 million) while the seeds/crops is ₦132 million (2020: ₦177.3 million).

15 Intangible assets

The movement in intangible assets for the year was as follows:

In thousands of Naira	Goodwill	Software	Total
Cost			
Balance at 1 January 2020	--	697,949	697,949
Additions	1,783,506	32,324	1,815,830
Balance at 31 December 2020	1,783,506	730,273	2,513,779
Balance at 1 January 2021	1,783,506	730,273	2,513,779
Additions	--	72,604	72,604
Balance at 31 December 2021	1,783,506	802,877	2,586,383
Amortisation and impairment losses			
Balance at 1 January 2020	--	81,427	81,427
Amortisation for the year	--	123,183	123,183
Balance at 31 December 2020	--	204,610	204,610
Balance at 1 January 2021	--	204,610	204,610
Amortisation for the year*	--	137,753	137,753
Balance at 31 December 2021	--	342,363	342,363
Carrying amounts			
At 31 December 2020	1,783,506	525,663	2,309,169
At 31 December 2021	1,783,506	460,514	2,244,020

Goodwill is as a result of the acquisition of Nutricima Limited's dairy business in Nigeria. This is not amortised, but is subject to annual impairment.

Goodwill was tested for impairment in December 2021 in line with IAS 36. For the purpose of impairment testing, goodwill was allocated to each cash generating units (CGUs) expected to benefit from the synergistic effects of the business combination.

Following our annual impairment review, no impairment charges were recognised in the statement of profit or loss and other comprehensive income.

*Amortization expense is included in administrative expenses.

Notes to the financial statements continued

For the year ended 31 December 2021

16 Prepayments

In thousands of Naira		2021	2020
Employee accommodation		–	32,343
Business premises		136,554	82,742
Deposit for imports	Note 16 (a)	75,593,009	16,237,361
Prepaid expenses	Note 16 (c)	1,034,866	1,156,073
		76,764,429	17,508,519

a) Deposit for imports represents prepayments for imports made to the bank by the Company (₦75.59 billion in 2021 and ₦16.24 billion in 2020). As at year end, this amount is held by the bank for settlement with the foreign supplier.

b) Prepaid expenses relates to prepaid insurance premium, and custom charges.

17 Deferred tax liabilities

Deferred tax liability/(asset)

In thousands of Naira	2021	2020
Property, plant & equipment	8,583,927	6,766,702
Employee benefit	(431,516)	(547,906)
Foreign exchange loss	(1,663,397)	(5,178)
Foreign exchange gain	8,850	799,299
Net deferred tax liability	6,497,864	7,012,917

In thousands of Naira		Property, plant & equipment	Employee benefit	Foreign exchange loss	Foreign exchange gain	Total
Balance 1 January 2020		5,257,355	(239,703)	(5,299)	956,601	5,968,954
Deferred tax in respect of acquisition of Nutricima Limited's business		24,028	–	–	–	24,028
Prior period adjustment/reclassification		(100,044)	(3,026)	–	385,458	282,388
Recognised in profit or loss	10(a)	1,585,363	(273,417)	121	(542,760)	769,307
Recognised in other comprehensive income	10(c)	–	(31,760)	–	–	(31,760)
Balance 31 December 2020		6,766,702	(547,906)	(5,178)	799,299	7,012,917
Balance 1 January 2021		6,766,702	(547,906)	(5,178)	799,299	7,012,917
Prior period adjustment/reclassification		907,930	109,996	–	–	1,017,926
Recognised in profit or loss	10(a)	909,295	(41,628)	(1,658,219)	(790,449)	(1,581,001)
Recognised in other comprehensive income	10(c)	–	48,022	–	–	48,022
Balance 31 December 2021		8,583,927	(431,516)	(1,663,397)	8,850	6,497,864

At 31 December 2021, there is no unrecognised deferred tax asset or liability (2020: Nil).

Notes to the financial statements continued

For the year ended 31 December 2021

18 Inventories

In thousands of Naira	2021	2020
Raw and packaging material	22,239,647	9,731,064
Finished goods	6,042,263	3,200,706
Goods in transit	15,977,877	14,897,256
Spare parts and tools	4,603,961	3,479,942
	48,863,748	31,308,968
Inventories are stated after deducting allowance for obsolescence amounting to:	284,495	136,519

19 Trade and other receivables

In thousands of Naira		2021	2020
Trade receivables	Note 26 (a)ii	2,857,146	5,021,810
Insurance claim receivable		292,907	292,907
Due from related parties	Note 29 (c)ii	1,671,760	732,584
Other receivables	Note 19 (i)	12,363,823	11,939,354
Trade and other receivables		17,185,636	17,986,655

(i) Other receivables includes refundable Non Deliverable Forwards (NDF) margin (₦3.5 billion), reimbursable VAT input (₦4.1 billion), NDF benefit receivable (₦1.7 billion), advances made by the Company to vendors amounting to ₦2.9 billion (2020: N1.18 billion). The Company's exposure to credit and currency risks, and impairment losses related to loans and receivables are disclosed in Note 26.

20a Derivatives

In thousands of Naira	2021	2020
Derivative assets	--	2,867,272
Derivative liabilities	1,321,189	-

The derivative liabilities arose from the non deliverable forward (NDF) contracts entered into with respect to intercompany loan and currency swap transaction. There was no derivative assets at year end. The derivative assets in 2020 arose from non-deliverable forward (NDF) contract of trade obligations.

Classification of derivatives

Derivatives are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Fair value measurement

For information about the methods used in determining the fair value of derivatives see note 4.1.

Notes to the financial statements continued

For the year ended 31 December 2021

20b Cash and cash equivalents

In thousands of Naira	2021	2020
Cash and bank balances	26,241,111	81,201,738
Short term deposits*	28,243,813	7,500,796
Cash and cash equivalents	54,484,924	88,702,534
*Short term deposits includes ₦634mln which is unclaimed dividend investment in fixed deposit		
Net cash and cash equivalents included in the statement of cash flows	54,484,924	88,702,534

21 Capital and reserves

(a) Ordinary shares

(i) Authorised ordinary shares of ₦0.50 each

In number of shares	2021	2020
At 1 January	1,000,000	1,000,000
At 31 December	1,000,000	1,000,000

(ii) Issued and fully paid ordinary shares of ₦0.50 each

In number of shares	2021	2020
At 1 January	976,336	976,336
At 31 December	976,336	976,336
Nominal value (in thousands of Naira)	488,168	488,168
The premium on the issued ordinary shares is as follows:		
Share premium (in thousands of Naira)	350,211	350,211

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividend payable

Movement in dividend payable

In thousands of Naira	2021	2020
At 1 January	498,000	12,070,421
Declared dividend	7,654,474	6,648,848
Payments	(2,716,365)	(18,221,269)
At 31 December	5,436,109	498,000

Dividend payable in 2021 includes unclaimed dividend of ₦0.63billion (2020: ₦0.5billion) and ₦4.8billion (2020: Nil) payable to foreign shareholders. The dividend declared relates to the 2020 final dividend (₦6.6 billion) and 2021 interim dividend (₦1.1 billion).

Notes to the financial statements continued

For the year ended 31 December 2021

22 Employee benefit liabilities

In thousands of Naira	2021	2020
Long service award benefits obligation	1,108,963	1,045,087
Other post employment benefits	222,825	322,740
	1,331,788	1,367,827

i. Long service award relates to benefits given to staff based on their length of service in the Company. This benefit is in the form of cash and gift items.

ii. Other post employment benefits represent the 'terminal milk benefit' which is a post employment benefit that accrues to the employees and is due at the point of exiting the Company. The benefit was valued as at year end by KPMG.

The Company has post employment benefit schemes and other long term employee benefit scheme for its employees. The liabilities are all based on independent actuarial valuations by Kailash Mittal of KPMG with FRC registration number of FRC/2021/NAS/00000025162.

The employee benefit liabilities expose the Company to actuarial risks such as longevity risk and interest rate risk. There are no plans to terminate these benefits.

(a) Movement in present value of long service award benefits obligation

In thousands of Naira	2021	2020
At 1 January	1,045,087	696,310
Included in profit or loss		
Current service costs	115,686	82,461
Interest cost	86,433	93,664
Actuarial (gain)/loss	(68,604)	232,527
	133,515	408,652
Other		
Benefit paid during the year	(69,639)	(59,875)
At 31 December	1,108,963	1,045,087

Notes to the financial statements continued

For the year ended 31 December 2021

(b) Movement in other post employment benefits

In thousands of Naira	2021	2020
At 1 January	322,740	186,339
Included in profit or loss		
Current service costs	39,530	21,847
Interest cost	27,236	25,731
Included in other comprehensive income		
Actuarial (gain)/loss	(160,073)	105,866
	(93,307)	153,444
Other		
Payments during the year	(6,608)	(17,043)
At 31 December	222,825	322,740

(c) Actuarial (Gains) and losses recognised in other comprehensive income for other post employment benefit obligations

In thousands of Naira	2021	2020
Cumulative amount at 1 January	493,764	387,898
(Gain)/Loss recognised during the year	(160,073)	105,866
Cumulative amount at 31 December	333,691	493,764

Notes to the financial statements continued

For the year ended 31 December 2021

(d) Actuarial assumptions

The following were the actuarial assumptions at the reporting date (expressed as weighted averages).

Long service award: The weighted average liability duration for the Plan is 9.08 years (2020: 10.18 years).

Other post employment benefits: The weighted average liability duration for the Plan is 12.83 years (2020: 14.76 years).

In thousands of Naira	2021	2020
Financial assumptions		
Long-term Average Discount rate (p.a.)	13.5%	8.5%
Long-term Average Future Pay Increase (p.a.)	15%	10%
Long-term Average Future Rate of Inflation (p.a.)	12%	12%

Assumptions regarding future mortality and withdrawal rates are shown below:

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. This is due to unavailability of published reliable demographic data in Nigeria. The number of deaths in the year of age out of 10,000 lives is shown below:

Sample age	2021	2020
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service

Withdrawal from service means retirement; voluntary or compulsory disengagement from service.

Age band	Rate	
	2021	2020
Less than or equal to 30	4.0%	4.0%
31 - 39	3.0%	3.0%
40 - 44	2.0%	2.0%
45 - 50	2.0%	2.0%
51 - 55	5.0%	5.0%
56 - 59	5.0%	5.0%

Notes to the financial statements continued

For the year ended 31 December 2021

(e) Sensitivity analysis for long service award benefits obligation

Below is the sensitivity analysis of the principal actuarial assumptions adopted in determining the employee benefit liabilities showing what the obligation value would be if key inputs changed:

	Rate	Other post employment benefits		Long service awards benefit	
		2021	2020	2021	2020
Discount rate	-1%	248,889	370,598	1,197,930	1,146,887
	1%	200,262	282,353	1,029,737	956,136
Salary increase rate	-1%			1,053,120	989,635
	1%			1,170,542	1,106,788
Inflation rate	-1%	198,896	281,923	1,080,720	1,008,239
	1%	250,122	370,172	1,140,372	1,087,109
Mortality	Age rated up by 1 year	222,875	322,221	1,104,080	1,039,945
	Age rated down by 1 year	222,764	323,205	1,113,368	1,049,727

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(f) Risk Exposure

(a) Inflation risk

Employee benefit obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

(b) Retirement age of employee

The majority of the plans' obligations are payable on resignation/retirement of employees. Decreases in retirement age will result in an increase in the employee benefit obligations. This is particularly significant in the employee benefit obligations, where inflationary increases result in higher sensitivity to changes in expected retirement age.

23 Trade and other payables

In thousands of Naira	2021	2020
Trade payables	9,644,093	7,016,492
Other payables and accruals	15,936,283	6,319,666
Contract liabilities***	4,167,967	1,693,659
Amount due to related parties*	114,814,775	76,773,346
Dividend payable**	5,436,109	498,000
	149,999,227	92,301,163

*The increase is due to timing difference in when FX is sourced and when it is received by the related parties. This is evident by the increase in deposit for import (Note 16) which will be used to settle the obligations.

**During the year, cash amounting to N136.72 million (2020: N45.22 million) was received from First Registrars & Investor Services Limited - the company's registrar - representing unclaimed dividends that have been in their custody for up to fifteen (15) months. This value is included in dividend payables shown in Note 21.

***Contract liabilities represent deposits received from customers for goods not yet delivered.

Revenue recognised in relation to contract liabilities

The below schedule shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

In thousands of Naira	2021	2020
Opening balance	1,693,659	337,603
Addition during the year	214,724,045	73,415,149
Billing;		
-Performance relating to prior year deposit	(1,693,659)	(337,603)
-Performance relating to current year	(210,556,078)	(71,721,490)
Closing Balance	4,167,967	1,693,659

The Company expects to satisfy the performance obligation for which it has received consideration within 12 months.

Notes to the financial statements continued

For the year ended 31 December 2021

24 Loans and borrowings

Movement in loans and borrowings

In thousands of Naira	2021		2020	
	Principal amount	Carrying amount	Principal amount	Carrying amount
Opening balance	103,805,609	71,867,817	-	--
Loan obtained during the year	3,500,000	3,500,000	103,805,609	103,805,609
Transfer to grant liability	--	(593,710)	--	(725,357)
Loan repayment	--	(26,759,997)	--	(33,318,064)
Interest charged	--	3,409,960	--	1,617,176
Interest paid	--	(1,439,132)	--	(1,634,935)
Foreign exchange revaluation	--	3,249,798	--	2,123,388
Closing balance	107,305,609	53,234,736	103,805,609	71,867,817

(a) Current loans and borrowings

In thousands of Naira	Notes	2021	2020
Intercompany loan	Note 24 (i)	48,651,653	61,882,465
Short Term Finance	Note 24 (ii)	--	988,314
		48,651,653	62,870,779

(b) Non current loans and borrowings

In thousands of Naira	Notes	2021	2020
Intercompany loan	Note 24 (i)	--	7,422,395
CBN loan	Note 24 (iii)	4,583,083	2,300,000
		4,583,083	9,722,395

(c) Government grants

In thousands of Naira	2021	2020
Opening balance	725,357	--
Addition	593,710	725,357
Amortisation	(230,498)	--
Closing balance	1,088,569	725,357
Non current	924,349	625,445
Current	164,220	99,912
	1,088,569	725,357

Government grant was recognised for each tranche of the loan disbursed. For the ₦2.3 billion disbursed in 2020, a government grant of ₦725 million was recognised in prior year to be amortised until 2026. For the ₦3.5 billion disbursed in 2021, a government grant of ₦594 million was recognised in current year to be amortised until 2029. Amortisation for the year 2020 and 2021 was recognised in the year 2021.

i) Intercompany loan: In 2020, the Company received intercompany loan from FrieslandCampina B. V., Netherlands at interest rate of 4% plus 3 month USD LIBOR. Interest accrued during the year amounted to USD 7 million. The company repaid USD 65 million (2020: USD 86 million) of the intercompany loan in 2021. The balance at the end of the year was USD 116 million - ₦48.7billion (2020: USD 174 million - ₦69.3billion). There was no additional loan in 2021.

ii) The short term finance relates to dollar overdraft on trade finance. There was non at the end of the year (2020: ₦998million).

Notes to the financial statements continued

For the year ended 31 December 2021

iii) The Company received additional term loan (CBN Differentiated Cash Reserve Requirement) of ₦3.5 billion from CBN, for FrieslandCampina WAMCO dairy development. The Company has recognised government grant of ₦1.1 billion on the total loan. The government grant recognised is the difference between the fair value of the loan at market rate and the amount received. It is being amortised over the ten year tenor of the loan. The additional ₦3.5 billion loan was recognised at an effective interest rate of 10.99% while the initial loan recognised in prior year was at an effective interest rate of 14.02%.

25 Lease liabilities

In thousands of Naira	Note	2021	2020
Opening balance		891,455	–
Addition		--	891,455
Lease modification		(827,960)	
Interest expense	Note 6	10,318	–
Closing balance		73,813	891,455
Current		--	100,000
Non current		73,813	791,455
		73,813	891,455

The Company entered into a lease agreement with the Niger State Government to develop local dairy production at the Bobi Grazing Reserve in the state. The Niger State Government agreed to lease up to 10,000 hectares of the Reserve to the Company for 40 years with a moratorium on rent for two years. As a result of this, a lease liabilities and right of use asset of ₦891 million was recognised in 2020 in line with IFRS 16. The reduction in the cost at the end of December 2021 is due to a change in contractual terms to reduce the number of hectares and rental charge per annum.

26 Financial risk management and financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Management Team, which is responsible for developing and monitoring the Company's risk management policies. The Management Team reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company also has an Internal Audit department that undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported on a regular basis.

Notes to the financial statements continued

For the year ended 31 December 2021

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations that arises principally from the Company's receivable from customers, cash and cash equivalents and derivative assets.

i. Exposure to credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of parties. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets at amortised cost

As part of its strategic relationship with its customers, the Company provides credit to its key customers. Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process may include specified cash deposits by new customers and bank guarantees provided to the Company by the customers. Credit limits are established for qualifying customers and these limits are reviewed regularly by the credit control unit. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The credit control unit is charged with the review of each customer's credit limit in line with the customer's performance in the preceding period and perceived risk factor assigned to the customer.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a key distributor or retail distributor, geographic location, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale and retail customers.

Amount due from related parties at year end represents balance outstanding on sales made to related parties. Other receivables represent unclaimed dividends with the registrars, staff advances and receivables.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, customers with outstanding amounts but have not placed orders or traded for a prolonged period of time (usually one year) and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics.

Notes to the financial statements continued

For the year ended 31 December 2021

ii. Impairment losses

Credit risk extract for trade receivables

As at 31 December 2021

Age of trade receivables In thousands of Naira	0 - 7days	8 - 15day	16 - 30days	31 - 90days	91 - 365 days	Above 90 days	Total
Gross carrying amount	2,351,053	149,009	272,623	76,000	469	96,165	2,945,319
Trade receivables	1,401,508	37,050	107,700	12,655	469	96,165	1,655,547
Loss rates	0.97%	2.19%	3.42%	10.23%	32.65%	71.37%	
Lifetime ECL	(13,601)	(812)	(3,681)	(1,294)	(153)	(68,633)	(88,173)
Net carrying amount	2,337,452	148,197	268,943	74,706	316	27,533	2,857,146

As at 31 December 2020

Age of trade receivables In thousands of Naira	0 - 7days	8 - 15day	16 - 30days	31 - 90days	91 - 365 days	Above 90 days	Total
Gross carrying amount	-	4,225,503	344,853	139,162	274,741	119,673	5,103,932
Trade receivables	-	2,825,204	186,098	127,780	200,983	93,856	3,433,921
Loss rates	0.00%	0.94%	2.06%	2.63%	8.39%	33.50%	-
Lifetime ECL	-	(26,634)	(3,826)	(3,364)	(16,855)	(31,443)	(82,122)
Net carrying amount	-	4,198,869	341,027	135,798	257,886	88,230	5,021,810

The movement in the allowance for impairment in respect of trade receivable during the year are as follows:

In thousands of Naira	2021	2020
Balance at 1 January	82,122	128,856
Impairment losses/(writeback)	6,051	(46,734)
Balance at 31 December	88,173	82,122

Reconciliation of the gross carrying amount for trade receivable assessed for impairment as follows:

Trade receivables	In thousands of Naira
Gross carrying amount as at 1 January 2021	5,103,932
Receipts during the year	(270,324,122)
Additions during the year	268,165,509
Gross carrying amount as at 31 December 2021	2,945,319

The computed provision for expected credit loss on related parties and other receivables, as well as derivative financial instruments is immaterial.

Cash and cash equivalents

The Company's cash and cash equivalents represent its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are reputable and have a sound financial position.

Notes to the financial statements continued

For the year ended 31 December 2021

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 30 days. The Company also monitors the level of expected cash inflows on cash customers and trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Where required, the company may utilise related party funding facilities to manage liquidity risk.

Liquidity analysis

The following are the contractual maturities of financial liabilities including, where relevant, estimated interest payments and excluding the impact of netting agreements.

31 December 2021

In thousands of Naira	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	<2 years
Non-derivative financial liabilities						
Trade and other payables	149,999,227	149,999,227	149,999,227	--	--	--
Loans and borrowings	53,234,736	55,616,328	48,795,461	339,222	1,241,649	5,239,996
Lease Liabilities	73,813	532,000	--	--	14,000	518,000
	203,307,776	205,615,555	198,794,688	339,222	1,241,649	5,239,996

31 December 2020

Non-derivative financial liabilities						
Trade and other payables	92,301,163	92,301,163	92,301,163	--	--	--
Loans and borrowings	71,867,817	73,066,778	70,350,045	57,814	115,000	2,543,919
Lease Liabilities	891,455	4,000,000	--	100,000	100,000	3,800,000
	165,060,435	165,367,941	162,651,208	157,814	215,000	2,543,919

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Currency risk

The Company is exposed to currency risk on financial instruments that are denominated in a currency other than the functional currency of the Company, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro and United States Dollar (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Notes to the financial statements continued

For the year ended 31 December 2021

ii. Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

Amounts in thousands	2021		2020	
	Euro	USD	Euro	USD
Cash and cash equivalents	--	313	176	128
Trade and other receivables	2,743	795	1,201	374
Trade and other payables	(33,901)	(38,083)	(43,169)	(87,217)
Loans and Borrowings	--	(114,112)	--	(174,284)
Net exposure	(31,158)	(151,087)	(41,792)	(260,999)

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
	2021	2020	2021	2020
Euro	481.97	435.56	476.11	485.95
United States Dollar (USD)	407.54	381.43	424.11	397.78

iii. Sensitivity analysis

A 15 percent (2020: 10 percent) strengthening of the Naira, as indicated below, against the Euro and the USD would have affected the measurement of financial instruments denominated in foreign currency and increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of Naira	2021 Profit or (loss)	2020 Profit or (loss)
Euro	2,225,194	2,030,900
USD	9,611,599	10,382,117

A 15 percent weakening of the Naira against the above currencies at the reporting date would have had the equal but opposite effect to the amounts shown above.

Notes to the financial statements continued

For the year ended 31 December 2021

(d) Interest rate risk

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations in earnings. Dividend pay-out practices seek a balance between giving good returns to shareholders on one hand and maintaining a solid debt to equity ratio on the other hand.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments

In thousands of Naira	2021	2020
Short term deposits - financial assets	28,243,813	7,500,796
Loans and borrowings	4,583,083	2,562,957
	32,826,896	10,063,753

Variable rate instruments

In thousands of Naira	2021	2020
Loans and borrowings	48,651,653	69,304,860

Interest rate movements affect reported income by causing an increase or decrease in net interest income and fair value changes.

The table below shows the net impact on the Company's profit before tax if interest rates on the variable rate assets increases or decreases by 15% with all other variables held constant.

	2021	2020
Effect of 15% increase in interest rate	384,995	92,560
Effect of 15% decrease in interest rate	(384,995)	(92,560)

(e) Fair Values

Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

In thousands of Naira	31 December 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at amortised cost				
Loans and receivables	17,185,636	17,185,636	17,986,655	17,986,655
Cash and cash equivalents	54,484,924	54,484,924	88,702,534	88,702,534
	71,670,560	71,670,560	106,689,189	106,689,189
Liabilities carried at amortised cost				
Trade and other payables	149,999,227	149,999,227	92,301,163	92,301,163
Loans and borrowings	53,234,736	53,234,736	71,867,817	71,867,817
	203,233,963	203,233,963	164,168,980	164,168,980

The basis for determining fair values is disclosed in Note 4.

For financial instruments that are short-term, management believes that their fair values are not expected to be materially different from their carrying values.

Notes to the financial statements continued

For the year ended 31 December 2021

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's debt to capital ratio at the end of the reporting period was as follows:

In thousands of Naira	2021	2020
Total liabilities	222,227,078	180,371,725
Cash and cash equivalents	(54,484,924)	(88,702,534)
Net debt*	167,742,154	91,669,191
Total equity	26,334,156	26,290,913
Debt to capital ratio at December 31	6.37	3.49

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

*₦75.59 billion of the net debt (2020: ₦16.24 billion) has already been covered by deposit for import/forward FX transactions reported under prepayment (note 16). Taking this into account, the debt to capital ratio as at 31 December would be 3.5 (2020: 2.87).

27 Contingencies

(a) Guarantees

There are contingent liabilities for guarantees to a bank in respect of:

In thousands of Naira	2021	2020
Staff housing loans	44,977	65,305

The Company's exposure to contingent liabilities arising from staff car and housing loans is limited as these loans are secured by employee retirement benefits.

(b) Pending litigations

There are nine lawsuits pending against the Company in courts of law and a claim against the Company which are being handled by external legal counsel. At year-end, the contingent liability in respect of these amounted to ₦1.86 billion (2020: ₦1.32 billion). In the opinion of the Directors and based on independent legal advice, no material losses are expected to arise from these claims. Hence, no provision has been made in these financial statements.

Notes to the financial statements continued

For the year ended 31 December 2021

28 Related parties

(a) Parent and ultimate controlling party

The parent and ultimate controlling party of the Company is Friesland International Beheer B.V., incorporated in The Netherlands, with a 67.81% (2020: 67.81%) shareholding.

(b) Key Management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to key management personnel, and contributes to a post-employment defined contribution plan on their behalf. In accordance with the terms of the plan, key management personnel are entitled to access the fund when they retire.

Key management personnel also participate in the Company's long service award and terminal milk benefit programmes. These programmes award certain sums of cash benefit which accrue to the recipient on graduated periods of uninterrupted service.

Key management personnel compensation comprised:

In thousands of Naira	2021	2020
Short-term employee benefits	466,947	424,507
Contribution to compulsory pension fund scheme	24,693	20,776
Long-term employee benefits	12,346	10,388
	503,986	455,671

The directors of the Company have also been identified as related parties and their remuneration has been disclosed in note 9 (c). At year-end, the directors held 0.41 percent (2020: 0.41 percent of the company's issued share capital).

(c) Other related party transactions

(i) Payables, purchases and royalty expense	Nature of transaction	Transaction value for the year		Balance outstanding at year-end (Note 23)	
Related Party		2021	2020	2021	2020
In thousands of Naira					
Friesland Brands B.V., Netherlands	Royalty expense (Note (d)(i))	5,216,793	4,559,415	9,154,155	4,580,723
FrieslandCampina B.V., Netherlands	Purchases (Note (e)(ii))	125,013,296	112,053,935	105,660,620	72,192,623
Koninklijke FrieslandCampina N.V., Netherlands	Loans	-	101,061,713	48,651,653	69,304,860
		130,230,089	217,675,063	163,466,428	146,078,206

(ii) Receivables and sales	Nature of transaction	Transaction value for the year		Balance outstanding as at year-end (Note 17)	
Related Party		2021	2020	2021	2020
In thousands of Naira					
Friesland Export West Africa, Netherlands	Sales (Note (d) (iii))	265,071	360,903	1,671,760	732,584
		265,071	360,903	1,671,760	732,584

All outstanding balances with these related parties are to be settled in cash within six months of the reporting date.

Notes to the financial statements continued

For the year ended 31 December 2021

(d) Transactions with related parties

(i) The Company has a Know-How and Trade mark agreement; and Research and Development Technical Know-How agreement with FrieslandCampina Nederland B.V., for which it pays royalties. Technical Know-How agreement royalty fees are computed as a percentage of profit before tax while royalty fees on trade mark and research and development agreement are computed as a percentage of net sales of the related products. An amount of ~~€~~5.22 billion (2020: ~~€~~4.56 billion) has been charged to the profit or loss account in respect of these fees (Note 7(b)).

The agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP) and payments are made to FrieslandCampina Nederland B.V.

Details of the NOTAP certificates are listed below:

File number NOTAP/AG/MN/126/22/223 with a limit not exceeding ~~€~~5.75 billion

File number NOTAP/AG/MN/126/20/173 with a limit not exceeding ~~€~~5.02 billion (Expired)*

File number NOTAP/AG/MN/126/20/510 with a limit not exceeding ~~€~~2.05 billion (Extension)*

File number NOTAP/AG/MN/126/21/153 with a limit not exceeding ~~€~~1.84 billion

*The expired NOTAP agreement relates to Know-How and Trade Mark agreement which expired in December 2020 and has been extended till December 2022, to allow time to address FX illiquidity and remit the balance accordingly.

(ii) The Company also entered into transactions with FrieslandCampina Nederland B.V., for the purchase of finished products, raw materials, spare-parts and technical support.

(iii) The Company exports milk products to Ghana, Cote d'Ivoire through Friesland Export West Africa, Netherlands.

29 Subsequent events

Subsequent to the reporting date, the Board of Directors recommended a final dividend of ~~€~~4.73 (comprising of final cash dividend of ~~€~~4.23; and a bonus share of ~~€~~0.50) per share subject to the deduction of appropriate withholding tax at the time of payment. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

There are no other significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31 December 2021 that have not adequately been provided for or disclosed in the financial statements.

30 Comparative

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Other national disclosure

Value added statement

For the year ended 31 December 2021

In thousands of Naira	2021	%	2020	%
Revenue	268,430,580		199,527,906	
Brought in materials and services				
- Local	(63,962,139)		(54,148,001)	
- Imported	(167,014,033)		(112,053,935)	
	37,454,408		33,325,970	
Finance Income	2,869,274		1,464,539	
Value added	40,323,682	100	34,790,509	100
Distribution of value added:				
To Government as:				
- Government as taxes	5,117,075	13	6,160,363	18
To Employees:				
- Employees as wages and salaries and end of service benefits	10,664,242	26	10,722,142	31
To providers of finance:				
- Finance costs	12,168,111	30	5,946,784	17
- Interim dividends	1,073,970	3	--	--
Retained in the business:				
- Depreciation of tangible assets	4,464,668	11	3,115,430	9
- Depreciation of right of use asset	74,116	--	17,827	-
- Amortisation of intangible assets	137,753	--	123,183	--
- Proposed dividends	4,127,112	10	6,584,165	19
- Bonus share issue	488,168	1	-	-
- To augment reserves	2,008,467	6	2,120,615	6
	40,323,682	100	34,790,509	100

Five-year financial summary

For the year ended 31 December 2021

In thousands of Naira	2021	2020	2019	2018	2017
Funds employed					
Share capital	488,168	488,168	488,168	488,168	488,168
Share premium	350,211	350,211	350,211	350,211	350,211
Retained earnings	25,495,777	25,452,534	23,396,602	19,872,085	17,780,145
Shareholder's fund	26,334,156	26,290,913	24,234,981	20,710,464	18,618,524
Current liabilities	208,816,181	161,477,131	75,475,390	65,991,736	71,755,943
Non-current liabilities	13,410,897	18,894,594	6,851,603	4,768,611	3,329,352
	248,561,234	206,662,638	106,561,974	91,470,811	93,703,819
Asset employed					
Non current assets	51,130,498	48,115,848	35,233,877	27,539,587	23,440,797
Current assets	197,430,736	158,546,790	71,328,097	63,931,224	70,263,022
	248,561,234	206,662,638	106,561,974	91,470,811	93,703,819
Revenue	268,430,580	199,527,906	161,831,064	149,158,788	140,076,525
Profit before income tax	12,702,741	14,939,249	18,752,718	16,312,453	15,885,363
Profit for the year	7,585,666	8,778,886	12,364,010	11,753,002	12,015,933
Other comprehensive income, net of tax	112,051	(74,106)	(13,418)	33,955	(19,553)
Per ₦0.50 share data:					
Basic earnings per share	7.77	8.99	12.66	12.04	12.31



ATOR

the car

Summit

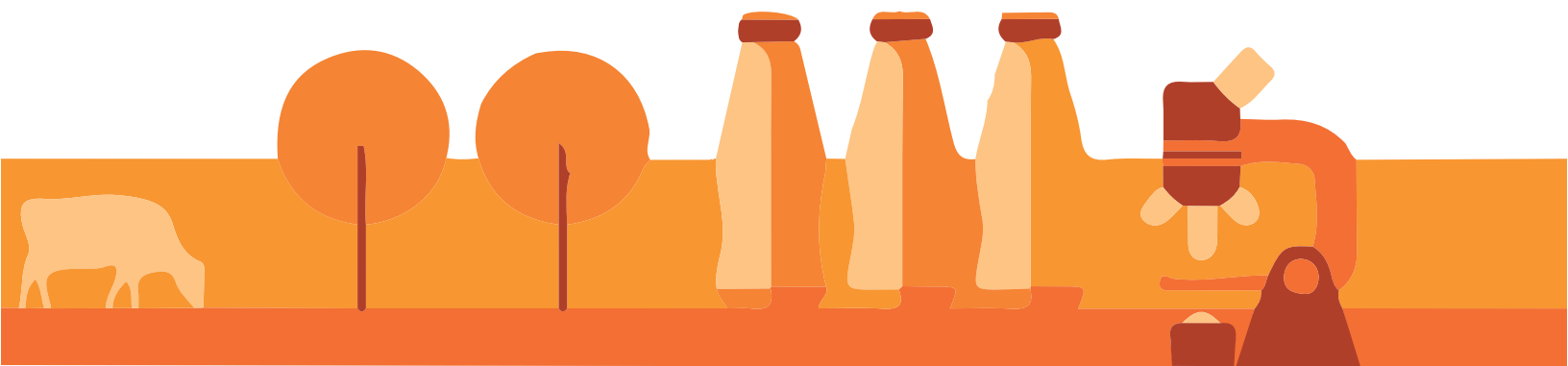
innovation

Innovation inspires us and moves us forward

Our global portfolio of high-quality products is the result of innovation by our farmers and employees. It is a fundamental part of FrieslandCampina's strategy, 'Our Purpose, Our Plan', which helps us unlock the power of milk to meet the needs of customers and consumers.

"My dream would be for everyone in Nigeria to have access to nutritious foods."

~ Gloria Jacobs
Marketing Manager (Three Crowns)



2021

In Review

Streetfoodz Naija
cooking contest



Peak protein
breakfast
keeps you going

Powering progress
through dairy
development

First-ever clinical
study collaboration
between LASUTH and
FrieslandCampina

New packs with
QR codes from
the heart-
friendly milk



Safety remains an intrinsic part of our culture

At FrieslandCampina WAMCO, we want all our employees, contractors and visitors to return home safely and unharmed.

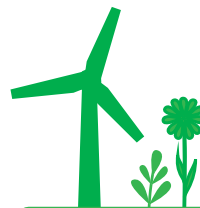
It is our belief that all accidents can be prevented. We expect that every employee, contractor and visitor takes the responsibility and accountability for their own safety and the safety of others. Safety remains an intrinsic part of our culture, with all our workers aiming to “reach beyond zero,” which is our drive in reducing incidents and improving our safety performance and culture.

To further improve safety culture within the organization, team leaders were trained on safety related topics including, Organizational Behavior Management (OBM). This OBM training is planned to be expanded across various category of employees in the organization.

In addition, a number of safety projects aimed at ensuring reduction of occupational health and safety risk to workers in the organization were undertaken and successfully completed. Some of these projects include: installation of end of line system to reduce manual handling in Powder plant, installation of automatic wheel lock system to eliminate early departure of trucks during loading, commissioning of dust extraction equipment in

condensed plant, construction and commissioning of 400,000 liters capacity fire hydrant tank with pumping facility (a diesel pump of 213Hp and 160Kw rated electric pump) generating water pressure of 8bar to improve emergency preparedness and response at Ikorodu plant, amongst other safety projects.

As of 1st of January 2021, the FoQus SHE audit program was replaced by ONE Audit, and FrieslandCampina WAMCO passed the audit with GOLD. This is an integrated audit management system for Royal FrieslandCampina covering Safety, Health and Environment (SHE), Food Safety & Quality, Continuous Improvement and Maintenance.



OUR 2021 SHE HIGHLIGHTS

- As of December 2021, we worked 9 years without Loss Time Accident (LTA)
- Achieved ISO 45001:2018 and ISO 14001:2015 Certifications
- Scored gold in FrieslandCampina “ONE Audit”

These highlights were achieved through positive attitudes towards safety, and a commitment to “reach beyond zero.”



Powering progress through dairy development

Year 2021 was another year we unleashed the power of milk through the Dairy Development.

“Together with partners, we made great progress to sustainably develop and lead Nigeria’s dairy sector by supporting the transformation of local dairy farming into modern dairy farming, while developing key structures required for sustainable value chain.”

~ Ben Langat, Managing Director

Commissioning of Mobile Yoghurt factory

To strengthen local dairy production in Nigeria, the Company commissioned a newly built mobile yoghurt factory. The mobile factory was commissioned in the Netherlands, by H.E. Dr. Eniola Ajayi, Ambassador of the Federal Republic of Nigeria to the Netherlands and CEO Royal FrieslandCampina, Hein Shumacher.

The mobile factory, now in Nigeria, will process locally produced milk from fresh dairy into yoghurt products. A development that will make chains shorter, improve livelihood of farmers and enhance affordable nutrition for Nigerians.

The mobile factory will start with the processing of 1.8 million kilograms of milk and can annually produce more than 18 million pouches of drinking yoghurt. This will further drive dairy development by increasing uptake of milk from local farmers.

The mobile factory is a scalable concept and allows for smallholder farmers to easily connect to the fresh dairy market.



Federal Government and FrieslandCampina WAMCO sign an MoU to renew their commitment to Dairy Value Chain development in Nigeria



August 18, the Federal Government and FrieslandCampina WAMCO signed an MoU to renew their commitment to Dairy Value Chain Development in Nigeria.

Since the initial MoU was signed in 2011, the Federal Government and FrieslandCampina WAMCO have collaborated on key programmes such as the Center for Nigerian Dutch Dairy Development and the Value for Dairy Consortium, which builds local expertise in improving milk production and strengthens relevant value-chain partners to be self-sufficient in shaping the Nigerian dairy industry. The renewed MoU will support their mutual goal of expanding economic opportunities in the dairy sub-sector.

The Federal Government and FrieslandCampina WAMCO will combine resources to achieve this objective whilst taking concrete steps to resolve the challenges identified with local milk sourcing in the past years.

This is in line with FrieslandCampina's 'grass to glass' philosophy and commitment to a successful home-grown dairy value chain in Nigeria.

Dairy4Growth Nigeria documentary magazine



Upon the successful end of the FDOV Project, FrieslandCampina WAMCO announced the launch of a documentary magazine titled - Dairy4Growth Nigeria: Pathways for change.

The magazine harnesses the knowledge gained during five years of work on Dairy4Growth Nigeria, a project deployed under the Dairy Development of FrieslandCampina with the objective of proffering solutions to challenges in the dairy industry, providing home-grown scalable innovations and transitioning Nigeria's dairy for commercial success.

To fully scale the benefit of this project, the Company launched this documentary magazine to share with the broader dairy development community.

Dairy4Growth Nigeria Project was funded by the Facility for Sustainable Entrepreneurship and Food Security (FDOV) as program(med) for public-private partnerships by the Netherlands Enterprise Agency (RVO).

Nigeria's first Dairy Expertise Center



In March 2021, the Center for Nigerian Dutch Dairy Development (CNDDD) held a webinar themed Harnessing the Great Unpolished Diamond of Africa and announced more partners including: University of Abuja, Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship (2SCALE) programme, Rabobank, and Van Hall Larenstein University of Applied Sciences.

The Center for Nigerian Dutch Dairy Development (CNDDD), Nigeria's First Dairy Expert Center, was launched in October 2020. The Center aims to improve dairy production in Nigeria and drive an integrated sustainability agenda by bringing together relevant value chain actors from the public sector, private sector and knowledge centers. The CNDDD is positioned to institutionalize dairy and make it sustainable by developing local capacity to address current and future challenges in the dairy value chain.



Herd health improvement and vaccination of over 5000 cows across Dairy Development communities

Value4Dairy Consortium organize to increase milk production in Nigeria

Launched April 2021, the Value4Dairy Consortium comprising four companies: FrieslandCampina WAMCO (milk collection and processing), URUS (breeding), Barenbrug (roughage production) and Agrifirm (animal nutrition), all with roots in the Netherlands, joined forces to fast-track the development of the Nigerian dairy chain, help integrate the dairy sector and formulate homegrown methods to solve challenges, which previously hindered growth

The Consortium is currently defining synergetic plans that will increase local milk production and processing; for instance, URUS, the world leader in cattle genetics, teamed up with SMAP Farms Nigeria Limited to maximize success with artificial insemination and cross breeding to improve milk productivity. By breeding youngstock and raising them into cows locally, knowledge is built where it is applied and needed most. Ultimately, this will provide the best solution for the Nigerian dairy sector, a solution that suits the need to build profitable dairy farms to nourish Nigerians.

Value4Dairy Consortium

Dairy Development Shining via for greater prosperity



Another long-term measure taken by the Consortium that will provide a solid foundation for sustainable growth in local dairy farming is investment in high quality pasture. Barenbrug, an international expert with a century of knowledge and experience in grass innovation selected a multitude of forage varieties to test here in Nigeria. Grass seeds adapted to our soil and climate, are a prerequisite to improve roughage production and conservation, crucial to increase the milk yield. We have seen positive results with this initial exploration in pasture development.



Dairy development activities



Silage bunkers and hay barn for feed and fodder storage.



Dairy Development team with Governor Makinde at the Oyo State Agribusiness Summit



New farm software to capture farm data



Cow shed with solar light for illumination at night



Grass land management, Cow health and Milk quality - Train the Trainer Programme for Niger State



Started Breeding and Sustainability Centre at Maya, Oyo State



Peak protein breakfast keeps you going

In 2021, Peak launched the Protein Story thematic campaign to own the morning breakfast occasion, which is the biggest dairy consumption period of the day.

This is a nutrition-led communication aimed at influencing the breakfast habit of consumers by letting them know that Protein is an essential nutrient for mind and body development. The “Protein Story” campaign showcases how Peak milk - a source of dairy protein to Nigerian families at breakfast, gives them the staying power they need to achieve more as they go through the day, every day, so that they can stay stomach full, stronger and active through the day.

This strategic nutrition-led campaign increased preferential selection, differentiation and sales for Peak amidst the various economic headwinds consumers faced. Peak recorded a double digit volume growth (+11%) and improved the awareness level of Peak milk to 56%.

National breakfast week “World Milk Day” celebration

Over the years, the Peak brand has consistently communicated the importance of breakfast, driving a culture change aimed at encouraging dairy consumption at breakfast to enable consumers start and end their day well. The National Breakfast week as a platform to reach consumers, communicate the benefits of having a Peak breakfast and actively engaging consumers to have a dairy rich breakfast.

In 2021, we remained consistent with our BIG idea and key message of #Peakbreakfast with focus on driving national consciousness around a consistent, breakfast culture in Nigeria. The World Milk Day global theme “Celebrating a Dairy Breakfast” aligned with the brand campaign #CelebratingPeakBreakfast and was used to drive massive awareness around the importance of milk in breakfast meals.

The campaign was executed across different touchpoints. On-air personalities discussed the significance of National Breakfast week and the role of Peak milk in providing the right nourishment needed to conquer the day. Digital engagement activities hosted by a number of celebrity influencers did a great job eulogizing Peak breakfast in very interesting videos and reinforcing the importance of having a Peak breakfast while encouraging their online audience to do the same for a chance to win prizes from the brand.

To further build credibility for the Peak breakfast message, our trade partners such as Mai Shayi (tea sellers) and koko (pap) sellers were engaged to discuss the importance of their role in providing quality dairy nutrition by offering a Peak breakfast for their customers. The traders endorsed Peak breakfast and emphasized the value it adds to their business.

Shoppers were rewarded in stores across the general and modern trade outlets via the shopper breakfast promotion. They were given a 10% discount for buying an assortment of Peak products from the different sales markets, high value stores or via designated E-commerce platforms.

The campaign was very impactful reaching over 6 million consumers on digital and growing the brand’s positive sentiments to 35%.





Stay nourished from Sahur to Iftar

The Ramadan integrated Campaign message - 'Stay nourished from Sahur to Iftar' - was executed to support Muslims as they fasted, while letting them know that they can always stay nourished with a Peak breakfast all through their spiritual journey.

A Ramadan commercial was showcased on TV to strengthen the campaign message across key markets Pan Nigeria. The brand sponsored popular Ramadan programs on TV stations and gave consumers a chance to win branded Ramadan special packs. In addition to the TV commercial, goodwill messages were aired on select radio stations to serve as reminders for Muslim faithfuls to live right and be prayerful, during the month of Ramadan.

Acts of kindness tips to stay healthy and safe during Ramadan

In order to build affinity and drive consumption, Peak executed an online engagement hosted by a number of celebrity Muslim influencers. The influencers reinforced the importance of staying nourished with Peak during Sahur and Iftar moments. They brought the brand's key message to life while actively engaging their over two million consumers across social media platforms.

In addition to the influencers, online chefs created beautiful Iftar recipes with Peak milk. The chefs made videos showing how to create Iftar recipes and shared them on their social media platforms reaching over a million people. This drove a lot of engagement as Muslim consumers are usually seeking new and creative recipes to include in their Ramadan meals.

The 2021 Ramadan campaign performed excellently well, reaching over 5.8million consumers on digital platforms.

Peak partners Lagos Food Bank on Peakmas 'Share love, Share nourishment'

The Peakmas campaign in 2021 was an integrated communication message - 'Share Love, Share Nourishment' - focused on driving engagement and consumption during the yuletide season. Two special packs (of various Peak assortment) were available as gift packs across trade channels.

On digital, Peakmas centric contents were deployed to generate engagement during the period. Consumers were encouraged to show love and acts of kindness to their friends and family or simply be there for them during the festive season. In return, they were rewarded with branded special Peakmas boxes and shopping vouchers in the #ShareLove, Share Nourishment challenge.

The #Peakmas 'Share Love, Share Nourishment' train also visited major markets across the country, rewarding Peak milk consumers with promo vouchers and other instant gifts for buying Peak milk during the campaign period.

The Peak brand provided relief support to low-income families across communities during the season. Over 2,500 vulnerable families were reached and gifted the special Peakmas boxes. This was done in partnership with the Lagos Food Bank. This act clearly demonstrates the brands purpose of nourishing Nigerians with quality dairy nutrition- which also aligns with the tenets of giving and sharing at Christmas.





Peak Chocolate: strengthening family bond while maintaining stellar performance

The Peak Chocolate brand hit the ground running in 2021 to sustain the growth recorded in 2020 despite the economic challenges. Having clearly redefined its proposition as a family-oriented brand and Nourishment Everyone Can Enjoy, the brand leveraged key occasions and special days to promote family bonding and nourishing indulgence all through the year.

The year started with the launch of its thematic brand campaign. This was rolled out across key cities Pan Nigeria on Radio, billboards, lamp posts and digital channels. Leveraging special days, the brand celebrated Valentine's Day, Mother's Day and Children's Day in a grand style engaging its target audience on digital.

In the third quarter of 2021, World Chocolate Day, a global celebration of chocolate which occurs annually on the 7th of July was celebrated in a unique way. This year, Peak Chocolate initiated a world chocolate day conversation in Nigeria by showcasing different ways to enjoy chocolate while creating delightful memories. This was done with audience across cities Pan Nigeria where consumers were treated to delightful chocolatey treats and given a chance to taste the product and engage in other fun activities. Renowned Instagram chefs created exciting recipes and challenged our audience to recreate same for a chance to win gifts and free product. This led to different experimentation and several entries from consumers recreating the recipes.

A live Instagram show was hosted by popular social media influencer where consumers learnt about the health benefits and versatility of chocolate. Consumers also got a chance to answer trivia questions for a chance to win shopping vouchers. Season 2 of our virtual family game show tagged "Peak Chocolate Family Contest 2.0" was executed following the success of the kickoff show. This was done to inspire our consumers and remind them that family is our greatest gift. Families were excited to participate as they won amazing cash and product prizes at the end of the contest. The grand prize winner won a year's supply of Peak chocolate and N100,000 cash prize. Viewers were not left out of the

fun as they won airtime through the "Fastest Fingers" interlude during the game show.

Our digital fan base grew to followers from 11,000 to 18,000 on Instagram and Facebook while our fanbase grew from 20,000 to 50,000+ between January and December 2021.

Other online activities executed include:

- #Peakchocolateftarmoments
- #PeakchocolateValentinechallenge
- #Peakchocolateindulgemum
- #Mykidsaremagic and
- #OnceUponAChristmas challenge

The excellent execution of all the integrated activities by the multifunctional team helped deliver a stellar performance in 2021, Peak Chocolate recorded volume growth index 130% vs. 2021.

Peak Chocolate initiated a World Chocolate Day conversation in Nigeria by showcasing different ways to enjoy chocolate while creating delightful memories





Made from fresh

Since its introduction into the yoghurt category in 2020, Peak Yoghurt has grown acceptance among yoghurt consumers and earned itself a reputation as the tastiest yoghurt drink in the Nigerian market.

In 2021, Peak Yoghurt initiated a new campaign “Made From Fresh” to inspire originality and freshness among young Nigerians to only “Do Fresh.” This campaign is in line with the product offer, delivering a tasty, nutritious and refreshing product made with Fresh milk. This has been made possible through our Dairy Development activities across Nigeria with local farmers which focuses on our Grass to Glass expertise.

With the integrated execution on media, neighborhood stores and open markets, Peak Yoghurt grew total awareness from 43% in Q1 2021 to 70% in Q4 2021 and increased trial rates to 40% with consumers.

Face of fresh internal engagement

Following the Made-Fresh campaign on all media platforms, an internal engagement activity aimed at inspiring employees to champion the brand and campaign promise was initiated. The rationale behind this approach is to cascade the Made Fresh campaign theme among staff who will serve as ambassadors to talk about the message of the campaign to consumers or customers they relate with directly within or outside their core functions.

The campaign inspired fresh ideas, creativity and passion among employees and motivated them to showcase creativity, fun and confidence to be the best version of themselves. Beautiful photo entries from individual and teams across the Company were submitted and the first ever Peak Yoghurt Face Of Fresh were crowned.

One of the foremost tactical activities in the second quarter of last year for Peak Yoghurt was a joint sponsorship with the most watched and widely loved “STREETFOODZ NAIJA” food vendor show Season 2 in collaboration with FoodBay TV. It is a televised and digitally transmitted docu-series that showcases the best of street food delicacies in Nigeria and it was aired on 6 major terrestrial TV stations, 11 radio stations, 8 national dailies across Nigeria. It was also publicised online through a weekly live stream for a total of 13 episodes in the entire season.

As an on-the-go yoghurt drink, Peak Yoghurt connected with over 2000 street food-preneurs and collaborated to capture creatively the best on-the-go food that Nigeria has to offer. We were also able to inspire and empower the street food-preneurs on ways to elevate and upscale their businesses.

Among the many exciting tasks were experiential activities like the Garden Cookout and the Street Credibility tasks that saw the brand in collaboration with the contestants, connect with consumers directly on the streets.

Overall, it was a rewarding partnership for Peak Yoghurt. Besides the fact that we were able to elevate the business and entrepreneurial skills of the various food vendors, the brand got a lot of media exposure across traditional and digital platforms with a reach of over 46 million viewers.



Building strong & smart children with the DHA advantage



The focus of Peak Specialized Nutrition in 2021 was to drive appreciation of age-appropriate nutrition for growing up children.

In the course of the year, series of programmes were executed across mass media platforms; TV, radio, print, outdoor and digital, highlighting the benefits of age-appropriate nutrition amongst relevant stakeholders including teachers, parents, grandmothers etc.

Children need nutrients in specific amounts to grow up healthy and strong. Peak Specialized Nutrition supports parents to establish a foundation for healthy eating habits and nutritional knowledge that their children can apply throughout life.

Specifically, with the Grandma campaign, the brand has been celebrating and recognizing the role of Grandmothers in influencing nutrition practices of mother and child.

We extended this campaign to rural and urban communities pan Nigeria.

The second half of the year saw the launch of the Breakfast Plus Peak 456 campaign. The campaign aimed at driving the importance of a simple yet healthy breakfast enriched with Peak 456 Growing Up Milk in

Peak Specialized Nutrition supports parents to establish a foundation for healthy eating habits and nutritional knowledge that their children can apply throughout life

supporting a child's attention span, concentration and memory—all of which have been shown to be important for learning in school as well as earning better grades.

The initiative was activated across digital, radio, out of home, schools, and retail.

Over 12million unique consumers were reached and positive sentiments for the brand grew by +900bps. This resulted in overall growth of the Peak brand in Specialized Nutrition.



First-ever clinical study – collaboration between LASUTH and FrieslandCampina

Also, in 2021, the results of a clinical study by the Lagos State University Teaching Hospital in collaboration with FrieslandCampina, focused on dairy fortification and nutritional outcomes was published in "Nutrients" - an international, peer-reviewed scientific journal of human nutrition.

The study presented that FrieslandCampina's multi-nutrient fortified dairy-based drink is clinically proven to reduce anaemia in Nigerian children without adverse effects on their gut microbiota.

This finding proves that FrieslandCampina is committed to nourishing Nigerian children with quality dairy products.

New reality for medical marketing

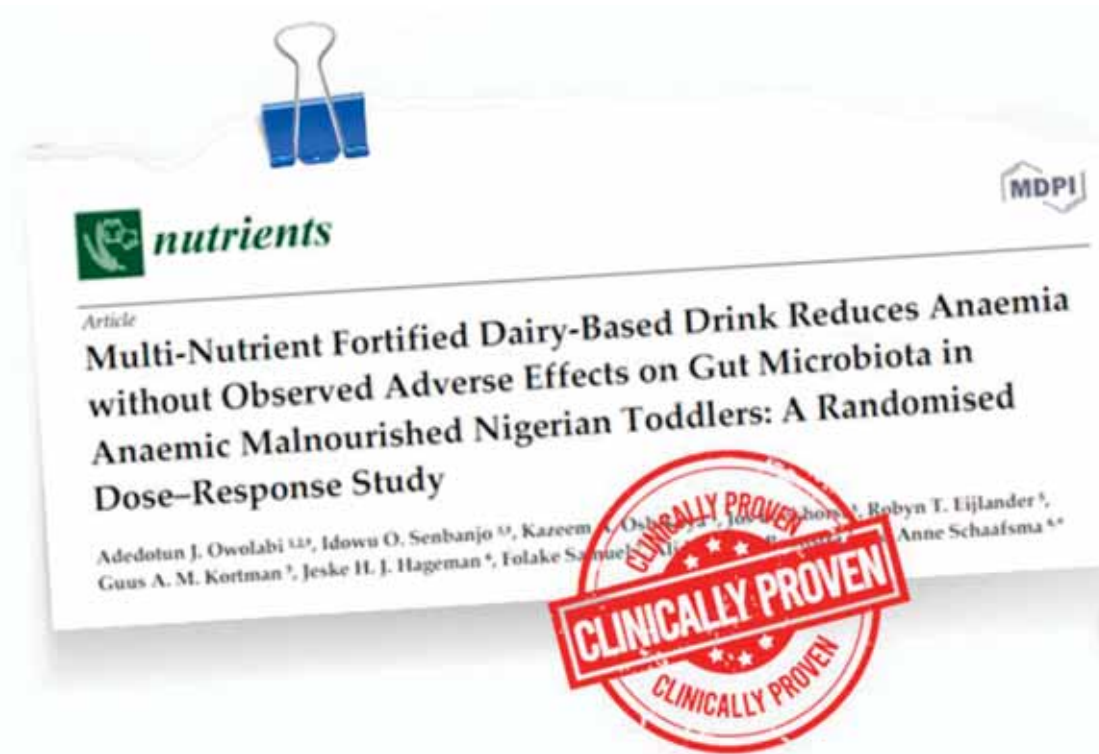
Adapting our Medical Marketing to the new reality, the existing engagement platforms were strengthened to create the right balance between various communication channels to reach and interact with our Health Care

Practitioners (HCP). This digital multichannel marketing connected with our target audience (where they want, how they want and when they want).

The Independent Audit against FrieslandCampina Standard & Guidelines for Marketing of Infant Foods by FrieslandCampina Global Regulatory and Nigerian Bureau Veritas in 2021 shows a high level of compliance with the code of ethics.

FrieslandCampina WAMCO is committed to deepening partnerships with medical professionals and associations and positioning our brands as the leader in nourishing Nigerian children.

FrieslandCampina's multi-nutrient fortified dairy-based drink is clinically proven to reduce anaemia in Nigerian children without adverse effects on their gut microbiota





Every 'body' is welcome to the fitness challenge

Every year, Three Crowns holds several heart-friendly activities that keeps the rhythm of mum's heart going, starting with the 30-day Fitness Challenge which unveiled in 2016

In 2021, the theme of the Challenge "Everybody is Welcome" drove inclusivity by enjoining consumer to participate in the challenge irrespective of their body shape, size or gender in order to have a healthy heart via tailored nutrition and daily workout engagement. Consumers registered on the brand website [Three Crown Fitness Challenge/Feminine Lounge](#) to join the challenge by signing up to the different fitness levels they felt most comfortable with, whilst connecting the fitness coaches who were available 24/7. With the advent of Covid-19 gathering restrictions, the physical cardio-dance sessions morphed into digital cardio-dance sessions on Instagram hosted on Saturday mornings by different fitness experts and celebrities [@/3crownsMilk](#).

At the end of the campaign, over 8,000 consumers (+6.67% above last year) signed up for the challenge and 80% were first time participants. 5.7million consumers were reached and the campaign delivered 14.5million impressions (20.83% above last year).

New packs with QR codes from the heart-friendly milk

Three Crowns introduced QR code to its product packaging to give consumers a more elaborate experience with the brand with a direct phone scan beyond product consumption. A phone scan directs user to the website landing page where product information is displayed and more information on brand campaigns. With the introduction of the QR code, consumers are kept engaged and new buyers recruited via discount offers and value-add lifestyle services such as nutrition and weight management.





Three Crowns QR code was launched as the “the ultimate code to Mum’s heart” because it’s not just a code that lets you get firsthand information on our product offers and campaigns, it also gives you tips and relevant information on how to show mum that you’ve got her. This campaign was executed via a 360° approach on radio, OOH, digital, TV whilst driving visibility and awareness in trade in selected cities Pan-Nigeria.

At the end of the campaign, over 5.3million consumers were reached (+169% vs plan) and delivered 5.4million impressions (+23% vs plan).

“The ideal gift for mum” campaign

Three Crowns leveraged the Christmas season to show mums that we’ve got them by pampering them with exciting gifts using our QR code as the portal to access the gifts. The campaign idea “The ideal gift for Mum” drove a deeper emotional appeal as mums were required to purchase any Three Crowns product, scan the QR code and nominate a mum to receive a gift from Three Crowns milk.

Thousands of emotional entries were received, selected and rewarded with a product gift pack. This also included personalized message from their nominators appreciating them for their efforts through the year.

Three Crowns also celebrated the festive season by rewarding shoppers, across selected stores, who purchased any Three Crowns product worth five thousand Naira with a Christmas gift. The campaign successfully reached 3.3million consumers.

December was indeed made special for mothers and mother figures, appreciating them for their year-round effort as well as integrating gifting with Three Crowns milk.

As Nigeria's leading low cholesterol milk brand, Three Crowns has nourished mothers for more than 30 years to ensure she takes good care of her family





Umbrella campaign for Nunu, Olympic and Coast

To strengthen perception of the acquired brands: Nunu, Olympic and Coast, we leveraged FrieslandCampina WAMCO's strong heritage to deploy an umbrella campaign across 14 cities in Q1' 2021.

The strategic execution of the campaign led to positive consideration of the brand across all platforms reaching over 3mio consumers and the momentum of the campaign was sustained all through the period of Ramadan to grow the association of the brands with FrieslandCampina.

The umbrella campaign was deployed across different touch points in select cities in Nigeria. At the end of the campaign, it successfully led to increase in penetration, trial and overall sales



Coast Milk: Nourishment for a natural you

With the integration of the brands to FrieslandCampina WAMCO portfolio, the brands were positioned with the right messages on their differentiating benefits. Coast milk provides a natural experience that completes consumers, making them feel good about their life choices. The campaign emphasized the natural goodness of Coast milk, creating a connection between Coast milk and the natural goodness of nature.



Olympic Milk: Own the day

Olympic milk was positioned as the brand that provides nourishment and vitality to boost consumers through the day. Olympic acknowledges that the average adult's nutritional needs must be such that they always have that extra boost to help take on the day. Hence, Olympic caters to individuals who need energy for their daily activities.

Nunu Milk: The right balance

Nunu milk was relaunched as a nutrient-rich milk brand that is packed with vitamins and minerals to make life better for both customers and consumers who are respectively looking to upgrade the nutritional value of intermediate products and their everyday meal. Nunu milk provides the perfect balance of rich nourishment at the right price, so they can enjoy the best of both worlds.

Elevating consumer experience through digital

FrieslandCampina WAMCO has continued to strongly embrace digital and leverage technology to drive business growth. The smart integration of digital technologies, processes and competencies across all functions and activities in a strategic way has continued to deliver value to the business.

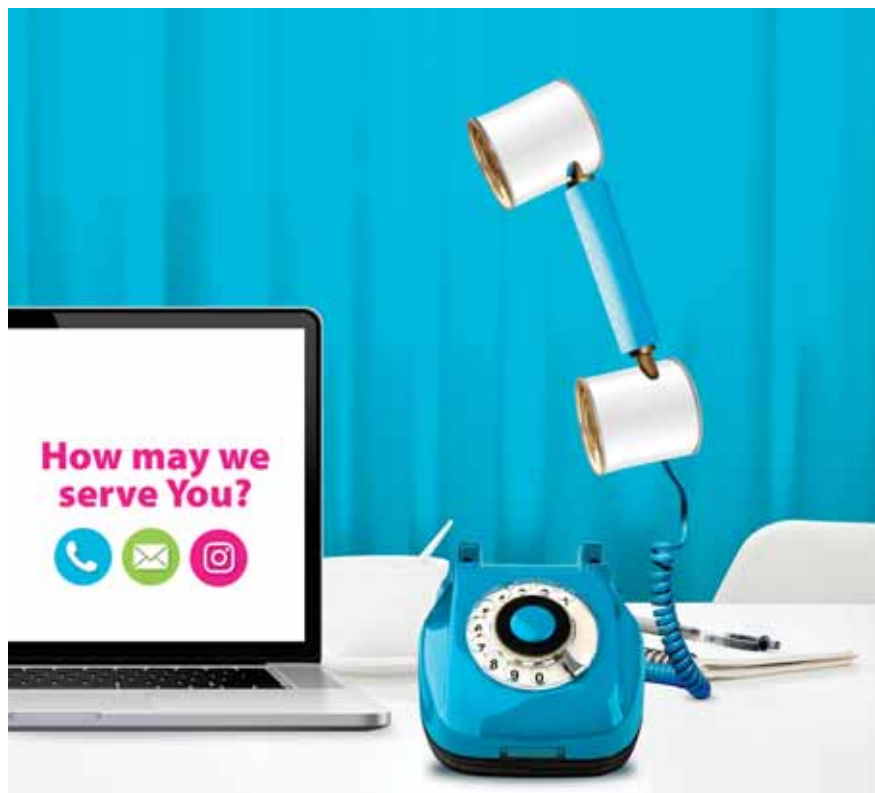
At FrieslandCampina WAMCO, it is all about digital-first thinking culture and mindset. This is evident in how we reach and engage with our consumers. The business has and will continue to adapt rapidly to the dynamic consumer behaviors and changing circumstances in which we find ourselves.

A case in point in 2021 is one of the four Digital transformation pillars and priority which is to 'elevate consumer experience'. This ambition was strengthened within:

- The introduction of QR code, aimed at making the consumer journey seamless. This was deployed between August through September with Lagos, Port-Harcourt, Abuja and Jos as leading locations. This showed a high rate of success, recording over 2,000 in-store scan and shopper form filled within a short period. The achievement is the first of its kind in the Nigeria dairy sector

- Increasing efficiency of content delivery to consumers that visit brand websites. This was fully achieved by ensuring personalized content is directed at audience based on affinity, gender, in-market behavior, topic/interest, location etc. With this process, we can pass tailored messages to specific people at the time they need it and take positive decisions for business as consumers visit our website.

- A digitalized Consumer Care Centre to serve consumers better was launched in the year under review. The launch of Customer Relationship Management (CRM) system provides a multichannel digital solution (online & offline) to manage consumer complaints and daily contact with the Company. CRM integration for Consumer Care unit was deployed in August 2021. It has since ensured an improved collaboration with stakeholders and customized quick response to consumers.



The integration of CRM to consumer core ensured an improved collaboration of stakeholder and customized quick response to consumers.

Riding with the tide

2021 witnessed continued economic contraction, insecurity and increase in input costs putting further pressure on consumer disposable income.

For our channel partners, there was a visible reduction on their working capital, thus we needed to be creative with trade demand in terms of increased frequency of visits and promotional mechanics.

With insecurity hampering economic growth and restricting distribution especially in Secondary towns, we scaled up digital solutions with Retail Self Ordering (RSO) to maximize distribution and physical availability of our brands. We also leveraged the growth of E-Commerce to index 129% vs. budget and 160% vs last year.

With return to Physical Shopping, the Open market witnessed increased shopper footfall while there was increased Proximity trips due to lower out-of-pocket spend. To leverage on this insight, we scaled up activities to drive forward share in open market including massive visibility upscale along the path to purchase to increase our share of presence. We also dialled up activities in Proximity due to increased shopping frequency resulting in 139% sell out vs. 2020 in proximity channel. In addition, we harnessed the opportunity in emerging channels like Pharmacy and FrieslandCampina Professional with the re-emergence of Out of Home (OOH) consumption.

We continued our Omnichannel route to market approach with direct coverage exit 2021 at 298k (from 276k in 2020). We also increased instore engagement



fit for purpose Promotions (Retail & Shopper) to drive conversion at Point of Purchase and utilized our acquired brands (Coast, Nunu & Olympic) to fight regional micro battles.

In addition, we translated the insight of increased consumption/spend during high seasons of Ramadan, Sallah and End of Year festivities to develop high impact activities ranging from tailored seasonal packs to Average Weight of Purchase (AWOP) activities to increase the Company's share of wallet among retail.

**As a business, we had to stay agile
with our Revenue Growth
Management drive,
omni-channel approach
and redistribution**

Despite the current challenges, strong competition and new product influx, we continued to ride with the tide with strong value growth vs prior year.

Sustainable partnerships

Sustaining the link between industry and the academia through the Tertiary Endowment Fund

Six tertiary institutions across the geopolitical zones of the country received funding to carry out relevant research in dairy science. The theme for 2021 was “Feed Options for Nigerian cattle” basically speaks to the perennial challenges of providing nutrition for cows in the dry and rainy seasons respectively. The outcomes of the studies by each university will supply homegrown solutions to farmers under our Dairy Development.

The other aspect of the endowment is the Award for the Best Graduating Student in the Food Science department in each of these six universities; thereby encouraging excellence among Nigeria’s future technocrats.

Building strong collaboration between industry and the academia is the sure means by which FrieslandCampina WAMCO can institutionalize dairy development, strengthen economic growth that is sustainable into the future.

FrieslandCampina WAMCO collaborates with National Office for Technology Acquisition and Promotion (NOTAP) on the Industry Technology Transfer Fellowship (NITTF)

The NOTAP-Industry Technology Transfer Fellowship (NITTF) is a platform which encourages collaboration between the Public and Private sectors respectively. Over the years, FrieslandCampina WAMCO has sponsored PhD students under the scheme, who are focused on areas relevant to the dairy value chain. Keying into this important scheme of the Government ensures that the Company is able to source timely solutions to teeming challenges in the value chain while empowering Nigerian professionals by funding their studies.

Rallying Employee-volunteers for the Orange Corners Nigeria

Taking out time from their busy schedules to give masterclasses, provide strong mentorship and generally facilitate innovation and drive among young startups under the Orange Corners Nigeria; showcases employees who are willing and able to meaningfully create positive impact beyond their traditional business targets. The world of volunteering continues to add valuable experiences to our participating employees who are contributing in no small way to the development of talents in Nigeria.



Donations to thirty (30) charitable organisations

Providing nutrition remains at the core of the Company’s operations and what greater purpose than sharing it with the vulnerable members of society. Product donations were made on quarterly basis to thirty charitable organisations across the six geopolitical zones of the country, thereby complementing caregiving efforts at the respective homes.

More investments for Ikorodu plant



As part of the Company's ambition to grow locally produced content, FrieslandCampina WAMCO continued investment in its Ikorodu Plant acquired in 2020. Within the same year many successes were already achieved such as realization of Three Crowns production in the Plant within three days after inception. Furthermore, various integration activities kickstarted, making sure what is now called, FrieslandCampina WAMCO Ikorodu would be operating fully independent from its former owner.

In 2021, the business continued at the same pace. Many integration projects were delivered within (and often before) the set deadline. Among others, an entrance road and gate were built, commissioning of the staff canteen, onsite clinic and a weighbridge was installed.



Besides some practical projects, many safety and compliance projects were delivered within the year. One of the highlights is a complete fire hydrant system with a capacity of xm3 of water that was built from scratch.

The Company also successfully integrated former Nutricima employees into the business. A retention rate of +95% was achieved among the team in the year 2020 and 2021. They are now the driving force behind the success story of Ikorodu.

The year 2021 was also the year that FrieslandCampina WAMCO Ikorodu set an astonishing performance of doubling its daily production output. The EVAP Plant in Ikorodu is now able to maximize its daily production at a competitive cost price and at the same quality level compared to the production facility in Ikeja. It is expected that in 2022, the Plant will go through another year of growth.

Also within the Supply Chain, the Ikorodu acquisition drove up efficiency. The additional warehouse capacity decreased demurrage for the whole business and it gave room for the Plant to service Ibadan. Ikorodu is now an additional hub for direct sales within the country.



Upgraded warehouse - adapted to the latest safety and efficiency standards of FrieslandCampina.

Additional production line for Can making



To accelerate growth, an additional production line was installed in the Can factory to produce 400g, 900g and 2,500g packaging for Powdered SKUS.

In its current product portfolio, the Company has Powdered SKUs in 400g, 900g and 2,500g tin packaging across its brands; where all the Powdered tin packaging materials are sourced from external suppliers based in Nigeria.

With Covid-19 and economic headwinds putting pressure on supply chain, prices of packaging materials from local suppliers have increased significantly (up to 65%).

It is not foreseen that the situation will improve on short to mid-term, also due to the limitation of having only two suppliers in Nigeria that can deliver this packaging material.

Therefore, the additional line ensures a continuous and reliable Can supply for WAMCO and also enables us to be more cost competitive into the future. On a safety note, this helps to reduce the number of truck movement in the premises.

Plant End-of-Line automation in Powder factory is now operational

The End of Line Conveyor system optimization and Robotic Sorting Solution is now operational and enhancing On Time In Full delivery at the Powder factory.

This project has further improved our packaging presentation, improved ergonomics and reduced significantly, possible hazards on the Plant, as interaction between moving equipment (forklift) and shop floor operatives is reduced.

The new Evap lid line

Targets improvement on production output and filling efficiency by reducing/eliminating short stops on fillers (Fault - Tumbling lids) and maximizes production output (increasing OEE by >5%).





How we navigated the wheels of doing business ethically in 2021

Compass is a very important aspect of business for FrieslandCampina. The Company is dedicated to maintaining a working, ethical business environment through the principles of Compass. The process of regulating Compass is known as Speak Up. It encourages employees to speak up in situations that go against the principles of ethics as contained in the Compass. The Company has a comprehensive Speak Up procedure that all employees are well informed on.

Some of the principles of Compass are; Safety (with respect to food and people), Rights of Employees and Human Rights, Sustainability, Avoid Conflicts of Interest, Business Relations, Doing Honest Business, Public Activities, Fair Communication, Use of Company Resources, Protection of Confidential Information, Data Protection / Privacy, Prevention of Fraud, Fair Competition etc.

The Company continuously creates toolkits based on various ethical considerations including the international standard on best practices, and trains employees on these principles with the support of the Compass champions. In the year under review, we were able to train all employees across Nigeria on various aspects of workplace respect and compliance in payments.

In the year under review, the Company held a Compliance week where the principles of Compass were reiterated and celebrated by all employees. Employees had an engaging platform to speak on the reasons Compass is important to them as individuals in the Company. Employees who had experienced the benefits of Speak Up also shared their story and encouraged other employees to utilise the Speak Up Channels.



FrieslandCampina WAMCO is dedicated to continuous compliance and constantly ensures that all the employees are able to work with the Company to achieve the best result.



Unleash your nature

The year 2021 was a great year filled with its own peculiar disruptions, with many organizations bewildered by evolving work-life realities. At times like this, only the tough gets going and FrieslandCampina WAMCO was not left behind. There was a need to encourage employees to unleash their nature while delivering the goals of the organization. This gave rise to the launch of a new Employer Value Proposition programme, 'Unleash Your Nature.'



What is unleash your nature?

As a Company, we recognized that we have a diverse group of employees with different qualities and backgrounds. Everyone has a set of personal qualities and capabilities and their own personal purpose that drives them. Unleash your nature is about unlocking your unique strengths and using them in your work. It is already there, but do you show it? Are you true to who you are to unleash your natural potential to the fullest? Valuable questions to ask yourself, because they create the space to grow and bring your best self to work.

We also translated this programme externally through various ambassador contents, sharing engaging stories of our employees on how they remain true to self while bringing the spark to work and staying authentic!

These live stories were showed on FrieslandCampina Channels and this jointly helped the Company to win the LinkedIn Talent Awards. In the same year we had about 100k impressions on our 4 ambassador posts with 13.02% Engagement rate vs Global RFC 2% target.



Awards



FrieslandCampina WAMCO Nigeria PLC received an Award of Merit at the third edition of Taxpayers Forum in recognition of our consistent contribution to the development of tertiary education in Nigeria through the payment of Education Tax.



Nigeria's leading low cholesterol milk, Three Crowns, emerged winner of the prestigious Marketing Edge Awards as the Dairy Brand of the Decade.



FrieslandCampina WAMCO won Employer of the Year in the Food and Beverages (Drinks) Sector at NECA Awards. The NECA Awards seeks to reward employers that consistently pursue sustainable employee-based policies.



FrieslandCampina WAMCO emerged winner of the Agribusiness Company of the Year (Processing) at the Oyo Agribusiness Summit 2021 on 27th October 2021.



The Peak brand was honored with Marketing Edge Legacy Brand Award at the Marketing Edge Awards 2021.

Corporate directory

Abia

CFAO (Nig) Plc 4, Factory Road, Aba, Abia

Abuja

Plot 634, Cadastral Zone B02,
Durumi (Area 1), Abuja FCT

Adamawa

1st Floor, Adamawa State Investment House,
42 Galadimawa Aminu Way, Bank Road,
Luggere-Jimeta, Yola

Bauchi

Maigoro Plaza, 5 Yandoka road, Bauchi

Borno

Suite 2, First Floor, Efunsole Multipurpose
Business Technology Building, Opposite
State Secretariat, Jos/Kano Road,
Maiduguri, Borno

Delta

Km 5 Asaba-Benin Expressway,
Behinde Obilinks Filling Station,
Asaba, Delta

Enugu

Chase Mall, 33/47 Abakiliki Road GRA Enugu

Gombe

Plot 121, Adamu Fura House,
Adjacent Eco Bank, Biu Road. Gombe

Kaduna

Plot 5D Kanta Road EK House Kaduna

Kano

70, Bida road off Post Office Road,
By ministry of agriculture,
Kano

Kebbi

House No. 2, Kaiwa Street,
Geshe Phase 1 opposite Jumat Mosque,
Birnin Kebbi, Kebbi State

Kwara

9 Ahmadu Bello Way GRA, Ilorin

Lagos Island

Block 2, Plot 2 Cbd Area,
C&I Leasing Street,
Lekki Phase 1, Lekki, Lagos

Lagos Mainland

Plot 7B Acme Road Ogba

Nasarawa

13 Heritage Hotel Close, along Abu opposite
Medical Centre entrance, along Abuja-Keffi
Highway Maraba, Nasarawa

Niger

2 Muazu Mohammed Road, 123 Quarters,
Minna, Niger

Ogun

96A, NUD Road, Opposite Methodist Primary
School, Oke-Yeke, Abeokuta,
Ogun State

Owerri

Plot 199 New Owerri, Owerri

Oyo

Oba Oyin Plaza, along Bodija/UI Road, Opposite
Preboye's World, Agbowo Road Ibadan

Plateau

No 3 Old Airport Road Jos, Plateau

Rivers

Zuma Suites, No. 29/30 Kaduna Street,
D/Line, Port-Harcourt

Sokoto

No 1E, Al Fodio Road, Sokoto

Investor relations

In our bid to continuously provide excellent service to our shareholders, we created an Investor's Portal on our website. An Investor's Portal provides access to the financial and other regulatory information that is needed by present and prospective investors.

The aim of our Investor's Portal is to promote shareholders' engagement with the activities of our Company by providing relevant information and creating an avenue for communication with our Company.

This portal was created as part of our Company's policy and in compliance with the Corporate Governance regulations on ensuring an open line of communication with all shareholders and investors. The Investor's Portal is hosted on our Company's website and is easily accessible through our Company's website or via the link <https://www.frieslandcampina.com.ng>.

The portal contains important information for the benefit of investors and interested parties. A summary of the portal's objectives includes the following:

- i. Creating an avenue for shareholders to easily access essential information e.g. financial information, unclaimed dividend list, essential updates and news, quarterly, half-year and annual reports;
- ii. Establishing a standard approach to handling complaints, contributions, questions, suggestions and clarifications from investors;
- iii. Ensuring that shareholders are able to easily access and download essential documents e.g. E-dividend form, E-product activation form, shareholder's update form.
- iv. Establishing a virtual archive for essential information on our Company for investors covering at least three years;
- v. Ensuring that all correspondence (complaints, contributions, questions, suggestions and clarifications) received from investors are received and managed in a fair, efficient and timely manner.

Therefore, shareholders are encouraged to visit our Investor's Portal for easy access to documents and news concerning the Company. Some relevant information provided by our Company on the Investor Portal include but are not limited to:

- a. Company's policies
- b. Financial results (unaudited, quarterly, half year, annual)
- c. Unclaimed dividend list
- d. E-dividend mandate form
- e. E-product activation form
- f. Shareholder data update form

All documents are uploaded in a downloadable format for easy access and use by shareholders. We encourage feedback from our shareholders because we are constantly looking for ways to better satisfy their expectations.

All questions, suggestions, clarifications and complaints related to investors' relations can be sent through our Registrars; First Registrars and Investor Services Limited.

Shareholders who require additional information may reach out to our Company Secretarial department through the email address provided on the site (investors.relations@frieslandcampina.com).

All correspondence from shareholders are prioritized and promptly attended to, therefore shareholders are encouraged to use the contact information provided.

Proxy form



49th Annual General Meeting to be held at Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos, Nigeria on Thursday, 26 May 2022 at 11:00am.

I/We*.....

being a member/members of FrieslandCampina WAMCO Nigeria PLC hereby

appoint**

of

or failing him, Mr. Jacob Moyo Ajekigbe; or failing him, Mr. Bernard Langat; or failing him, Mr. John Ogundipe; or failing him, Sir Sunny Nwosu; or failing him, Mrs. Oreoluwa Famurewa, or failing her, Mrs. Olufunmilayo Balogun as my/our Proxy to act and vote for me/us and act on my/our behalf at the Annual General Meeting of the Company to be held on 26 May 2022 and at any adjournment thereof.

Dated this.....day of.....2022.

Signature.....

*Delete as necessary

No. of Shares			
Resolutions	For	Against	Withheld
To declare a final Dividend			
To re-elect as Director, Mr Roel Van Neerbos			
To re-elect as Director, Mr. Peter Eshikena			
To re-elect as Director, Mrs. Oreoluwa Famurewa			
To authorize the Directors to fix the remuneration of the Auditors			
To elect members of the Audit Committee			
To approve increase of Share Capital			
To approve issuance of bonus shares			
To approve the amendment of the memorandum of association			
To approve the remuneration of the Directors			

Please indicate with an 'x' in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTE:

- ii. This Proxy Form should be completed, duly signed and stamped by the Commissioner of Stamp Duties and should be deposited with the Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48hours before the time for holding the meeting.
- ii. This Proxy Form should NOT be completed and sent to the Registrars if the member will be attending the meeting.
- iii. In the case of joint shareholders, any of such may complete the form, but the names of all joint shareholders must be stated.
- iv. If executed by a corporation, this form must be sealed with its common seal.
- v. **Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish, you may insert in the blank space 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.



Admission slip

49th Annual General Meeting to be held at the Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos, Nigeria on Thursday, 26 May 2022 at 11:00am.

Name of Shareholder _____ Number of shares held _____

Name of person attending _____ Signature _____

IMPORTANT

This admission slip must be produced by the shareholder or his Proxy who need not be a member of the company, to gain entrance to the Annual General Meeting. Shareholders or their Proxies are requested to sign the admission slip before attending the meeting.

Name of person attending _____ Signature _____



EVERY MUM'S HEART HAS A CODE

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Healthy mums, happy families

1. Complete, sign and date the form
2. Fill out all compulsory(*) fields
- 3 Fill in CAPITAL LETTER

E-PRODUCTS



E-PRODUCTS ACTIVATION FORM

You need not worry about the safety of your shares anymore, simply stay aboard with our e-Products and services.

E-SHARE NOTIFIER

SMS alerts on transactions that occur on your share account (AGM & EGM, Dividend Payments, Bonuses, Debits/ Credits etc.)

ONLINE-ACCESS

Online access to your share account statements. You can view and print your account statement, make change of address and access dividend info etc.

M-ACCESS

Smart way to access your stock balances, dividend amount etc. via SMS on your mobile phone. Simply send your assigned PIN to 6591. The service is available only in Nigeria and attracts N20/SMS by network operator

Instruction

Please fill the form and return to the address below:

The Registrar,

First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos, Nigeria.

Shareholder Account Information

Surname* First Name* Other Names

Address Line 1*

Address Line 2

City State* Country

GSM No (Mobile)* GSM No (Telephone)*

Email Address*

Signature(s)* Corporate stamp/Seal*

Charges:

Individual: ₦1000 per annum/product

Corporate Bodies: ₦2000 per annum/product

Please tick() the product(s) you are activating

All payments should be made into each product's account number respectively:

E-Share Notifier activation Account No. 2013302579

Online access activation Account No. 2013798370

M-access activation Account No. 2011760908

in any First Bank branch nationwide and a copy of the payment slip attached to this form upon submission.

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FIDELTY NIGFUND (INCOME & ACCUMULATED)	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HALDANE MCCALL REIT	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	KAKAWA GUARANTEED INCOME FUND	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	STACO INSURANCE PLC	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

First Registrars & Investor Services

...connecting you to your wealth

website:www.firstregistrarsnigeria.com; E-mail: ebusiness@firstregistrarsnigeria.com

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

E-DIVIDEND



E-DIVIDEND ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,

First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos, Nigeria.

I/We hereby request that henceforth, all my/our dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) Current Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company's Seal

Joint/Company's Signatories

Authorised Signature of Banker Authorised Stamp of Banker

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FIDELTY NIGFUND (INCOME & ACCUMULATED)	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HALDANE MCCALL REIT	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	KAKAWA GUARANTEED INCOME FUND	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	STACO INSURANCE PLC	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE & FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

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