FrieslandCampina WAMCO Nigeria PLC

Annual Report 2017

A Heritage of Quality

Contents

Financial highlights

140,077 million naira

Revenue up by 13.2%

2017	2016
140,076,525	123,749,286

15,857 million naira

Profit before income tax down by 20.6%

2017	2016
15,857,429	19,963,190

11,996 million naira

Profit for the year down by 13.5%

2017	2016
11,996,380	13,862,217

488,168 thousand naira

Share capital

2017	2016
488,168	488,168

18,619 million naira

Total equity up by 14.3%

2017	2016
18,618,524	16,287,870

Per sharedata	2017	2016	% increase/(decrease)
Number of 50k ordinary shares	976,335,936	976,335,936	0%
Basic earnings	12.29	14.20	(13.5%)
Interim dividend paid	2.20	2.95	(25.4%)
Final dividend proposed	7.02	7.70	(8.9%)
Number of employees	679	681	(0.3%)

The Peak heritage

For over 60 years, Peak has served Nigerians from generation to generation. Every Nigerian grew up with Peak. We are still growing with Peak and will continue to be at the center of nutrition in Nigerian homes.

In Nigeria, Peak is synonymous to milk, and unarguably, the nation's favorite milk. So it's been 63 years full of enjoyment, love and wonderful memories!

Guided by our mission to nourish Nigerians with quality dairy nutrition, we have remained unwavering in the provision of nutritious and affordable milk products. We have continued to grow despite several changes in the market and we attribute this to our singular focus of providing quality dairy and innovatively standing out of the crowded shelf.

Peak 4 distinct elements

The Palm tree which at the edge of the Peak flag represents lushness. A gold border lines the Peak flag to depict the wealth and richness of Peak milk.

The year 1954 is a testament to how long we have nourished Nigerians. The stronger body, sharper mind icon reinforces what Peak has always offered Nigerians.

Just like everyone, Peak has a backstory. We didn't get here in one day or by chance. Peak's iconic story started somewhere- on the Peak Island. It is our identity and one that is unique to us.

Why does the Peak Island stand out for us?

The twin palm trees are a symbol of nutrition and growth. The healthy, natural green leaves depict good nutrition. Multiple trees represent a family with siblings which reinforces 'from generation to generation'.

The mountain is a symbol of performance and strength through nutrition. The visible peak of mountain shows clearly defined and achievable heights.

The blue sky is a symbol of hope, calmness and healing and underlines the harmless nature of milk.

The sea symbolizes that we are naturally full of activity while the steamboat depicts the global nature of the brand.

Though originally from Holland, we are Nigerian at heart and that is depicted by the canoe and fishermen. We are confident, never afraid of venturing into worlds unknown; because it is in doing so that we reach our peak.

In addition to all these, some key phrases have also defined who we are as a brand:

"Reach for your peak" is a motivation for our esteemed customers to never give up.
"It's in you" indicates that all you need to be great is within you, within your reach; so reach for your peak

We have also been consistent with the themes we communicate. Quality, Family, Heritage, Generations, Success are important themes that run across all Peak campaigns.

As we continue into the future, our mission remains the same- "Nourishing Nigerians with quality dairy nutrition to help them reach their peak".

Sustainability **at its Peak**

In collaboration with its partners and the Netherlands Government, FrieslandCampina WAMCO has been helping local dairy farmers to make their business more sustainable.

Recently, we launched the Farmer2Farmer (F2F) programme to help improve milk quality and volume as well as the livelihood of local farmers through the development of their dairy farming skills. The F2F programme is one of the integral activities of our Dairy Development Programme (DDP) whereby local farmers receive training and one-on-one coaching from Dutch Co-operative member farmers of Royal FrieslandCampina.

We have established small holder farms with cross breed cows that give high volume of milk per cow. Through the DDP, we help farmers expand their investment opportunities as the milk collected from the dairy farmers are used in the local manufacturing of Peak evaporated milk.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of FrieslandCampina WAMCO Nigeria PLC will be held at the Shell Hall, MUSON Centre, Onikan, Lagos on Thursday, 17 May 2018 at 11.00am to transact the following business:

Ordinary business

1. To receive the Report of the Directors and the Audited Financial Statements for the year ended 31 December, 2017 together with the reports of the Auditors and Audit Committee.
2. To declare a final dividend.
3. To re-elect Directors.
4. To authorize the Directors to fix remuneration of Auditors.
5. To elect members of the Audit Committee.

Special business

(6) To approve the remuneration of the Directors.

BY ORDER OF THE BOARD

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

Dated this 1st day of March 2018

Olubukunola Olateru *FCIS*
Company Secretary

Notes

1. Proxy

A member of the Company, who is entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his/ her stead. A proxy need not be a member of the Company. A proxy form is enclosed in the Annual Report. To be valid, the instrument of proxy must be duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu Lagos, not later than 48 hours before the time of the meeting.

2. Dividend warrants

If the dividend recommended by the Directors is approved, dividend will be paid electronically on Friday, 18 May 2018 to shareholders whose names are registered in the Company's Register of Members at the close of business on Wednesday, 9 May 2018 and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their bank accounts in compliance with the directives of Securities and Exchange Commission.

3. Closure of register

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Thursday, 10 May 2018 to Monday 14 May 2018, both dates inclusive, to enable the Registrars to prepare for the payment of dividend.

4. Nominations for the Audit Committee

The Audit Committee consists of three (3) Shareholders and three (3) Directors. In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 2004, any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving in writing, notice of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

5. Unclaimed dividend

Several dividend warrants remain unclaimed or are yet to be presented for payment or returned to the Company for revalidation. 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, write to or call the office of the Company's Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos, during normal working hours.

6. E-dividend

Notice is hereby given to all shareholders to open bank accounts, stock broking accounts and CSCS accounts for the payment of dividend. A detachable application form for e-dividend is included in the Company's Annual Report to enable all shareholders furnish particulars of their accounts to the Registrars (First Registrars & Investor Services Limited) as soon as possible. We request our shareholders to use the e-dividend payment portal that will serve as an on-line 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.

7. Rights of Shareholders to ask questions

Shareholders have a 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 at least a week before the meeting.

Chairman's statement

Mr. Jacobs Moyo Ajekigbe, OFR
Chairman

Distinguished shareholders, my colleagues on the Board, ladies and gentlemen, it gives me pleasure to welcome you to the 45th Annual General Meeting of our Company and to present to you the Annual Report and Financial Statements for the year ended 31 December 2017.

2017 was in many ways a challenging one. Starting with the carryover of recession from the previous year, we saw many indicators of fragility in the economy. However, it was also a year where we showed a great deal of resilience and determination to meet our targets and thrive amidst a difficult operating environment.

The macroeconomic environment

The Nigerian economy which had slipped into recession in 2016 after recording negative GDP growth in the first two quarters of 2016, came out of recession in the third quarter of 2017. Estimated GDP growth in 2017 was 0.87%, largely driven by recovery in the oil sector. However, growth remained weak in the non-oil sector as inadequate power generation continued to plague operations in the manufacturing and other industries.

Consumer demand remained low as spending was pressured due to high inflation which hovered between 16% and 18% during the year, high unemployment rate and several months of owed salaries to public sector workers. These resulted in drop in sales and private sector's declining capacity utilization and profitability.

Foreign Exchange (FX) supply witnessed extreme volatility during the early months of the financial year, putting pressure on imports and resulting in significant increase in the cost of raw materials and goods. The situation however improved during the year with regular intervention by the Central Bank of Nigeria.

We saw consumers respond to these changes by adjusting their lifestyles, becoming more rational, prioritizing their needs and spend (focusing on necessities rather than luxuries), down-trading from expensive to value/cheaper variants and low unit/single-serve portion packs. This resulted in increased frequency of purchase and top-up neighborhood shopping trips (on need basis) particularly for dairy. Availability and affordability have now become major determining factors in purchase decision making and our Company leveraged several opportunities to invest and continue to win with consumers and customers to maintain its

leadership position in the dairy sector.

The year 2017 saw continued rise in milk prices which began an upward climb in the third quarter of 2016 and is expected to continue into 2018. If supply eventually outstrips demand then we expect to see lower prices in 2018 compared to 2017.

Operating results and performance

The Company's commercial and financial performance remained satisfactory in spite of a difficult start of year with loss of production in the Evaporated milk Plant due to fire in the first week of January 2017. Turnover increased by 13.2 percent from ₦123.75billion in 2016 to ₦140.08billion in 2017. Profit Before Tax (PBT) however decreased by 20.6 percent from ₦19.96 billion to ₦15.86 billion as a result of the high volume of products imported to cushion the gap resulting from the fire incident in the evaporated milk factory. This was necessary to maintain our market share.

The Company continues to maintain its dividend policy to pay 75 percent of the Profit After Tax (PAT) as dividend to its shareholders, therefore, the Board of Directors is proposing a total dividend pay-out of ₦9.22 per ₦0.50 share. An interim dividend of ₦2.20 per ₦0.50 share was paid in October 2017; and a final dividend of ₦7.02 per ₦0.50 share is therefore being proposed for your approval. If the proposed final dividend is accepted, the final dividend less withholding tax at the appropriate rate will be paid on 18 May, 2018.

Operations

The year under review started on a rather disturbing note with a fire outbreak in the Evaporated milk plant that extensively damaged the conveyors and sterilizers putting a halt to our production. However, Management worked round the clock to ensure that production re-commenced in exactly 20 days after the unfortunate incident, albeit at reduced capacity.

Two new sterilizers and conveyor system were installed in July and commissioned by the end of the year. The plant layout was also enhanced to improve safety and drive efficiency. During the period of low production in the Evaporated milk Plant, the Powder Plant ran at very high efficiency to ensure our products were available in the market to compensate for lost volume. Import of finished evaporated goods, also supported product availability.

In the year under review, our Company recorded other remarkable achievements in operational efficiency by procuring two high speed sachet filling machines with improved technology and a state-of-the-art dust extractor system for the Powder Plant. The filling machines will increase our sachet line producing capacity while the dust extractor will optimise the safety of our system by ensuring a dust explosion-free extraction system and compliance to international regulation on ATEX Workplace Directive.

The Company's operational principles which are built on Four Zero values of Safety, Quality, Service and Cost delivery were significantly boosted through several initiatives aimed at improving efficiency. These were also the bedrock for all the successes recorded in the year under review, and were evidenced by several certificates and milestones. These include Proactive Score 3.0 in Safety; Celebrating 5 years without Lost Time Accident (LTA); Food Safety System Certification (FSSC); and a FoQus B score.

Sales and marketing

The Company effectively translated its strategy to action by efficiently managing the fast-changing business environment. This involved consistently winning in the market place by going deeper and wider for proximity selling, and physically gaining control of more retail outlets, thus making our products more accessible and prominent at every possible point of purchase including secondary towns.

With a strong retail value proposition, we were able to leverage the physical availability of our products through activities such as Flagship store campaign in General Trade and Point of Purchase (POP) vision in Modern Trade. This increased our presence on the shelf, ensuring our continuous relevance and prominence in the minds of shoppers.

In order to remain agile and lead in the market, we implemented geo-specific channel activation. One of the many activities implemented was the 'powder game' that drove our business contribution in the powder category and increased home penetration by 5%. In November 2017, the Company over-indexed total powder category in in-home penetration.

Peak expanded its portfolio with the introduction of Peak Filled Milk by providing an alternative to consumers who prefer milk that is low in cholesterol. The introduction of Peak Filled Milk contributed to the overall growth of the brand and further entrenched its number one position. Peak also unveiled the 'Unstoppable Campaign' to celebrate the Nigerian Paralympic Team who were able to achieve ground breaking success against all odds. They are an embodiment of the brand's true essence and they portray values we want Nigerians to emulate. In identifying with the Paralympic Team, we intend to inspire Nigerians to rise against all odds and reach for their Peak in their respective endeavors. Peak ended the year with the Heritage Campaign to reinforce its superiority of over 60 years of trust, quality and nourishing goodness in the lives of Nigerians.

Three Crowns continued to consolidate its Low Cholesterol proposition encouraging mums to take adequate care of themselves and their families via the "Don't You Wish Campaign". The brand has further strengthened its engagement with Health Care Practitioners and launched a second phase of its Fitness Programme to encourage and grow the fitness lifestyle and behavior among our customers via cardio-dance sessions and work-out routines.

Peak 456 initiated a campaign called "My Own Milk" under Infant and Toddler (IFT) category to raise awareness on specialized nutrition for children. The campaign successfully encouraged medical practitioners and parents to evaluate the nutritional value of the milk they currently serve to children and choose the one developed specifically for their age in order to support their physical and mental growth.

Towards the end of the year, Peak 456 partnered with the Nutrition Society of Nigeria and rolled out a school programme targeted at pre-school children under a global programme called Drink. Move. Be Strong (DMBS). This programme empowered school teachers to help educate children from four years old on living a healthy lifestyle through eating right and exercise.

Developing local dairy farming

In 2017, our Company made significant investment in the Dairy Development Programme in support of our Grass to Glass philosophy. We invested in an additional state of the art milk collection centre, conducted capacity and capability trainings for our partner farmers, and sustained our partnership with both local and foreign organizations. A key activity this year was the Farmer2Farmer programme, a unique programme through which certified dairy farmers from the Netherlands train and advice Nigerian farmers on best dairy farming practices.

The year ended with a Dairy Farmers' Day hosted by the Company at Iseyin, Oyo State. It was the first of its kind in Nigeria with over 400 dairy farmers, young undergraduates, stakeholders from both Federal and State Government, the Dutch ambassador, dairy feed millers, research institutes and technocrats in the dairy industry in attendance. It was a successful event which reinforced focus on the need for Public Private Partnership in developing the local dairy industry.

Corporate social responsibility

Our Company demonstrated its ongoing commitment to Corporate Social Responsibility by signing a Memorandum of Understanding with the Benue State Government to provide quality dairy at a highly discounted price in support of the State's Home Grown School Feeding Programme. The Company keyed into this programme in line with its purpose of providing better nutrition as well as being the only milk company sourcing raw milk locally. Through this partnership, we reached two hundred and forty thousand pupils across the state.

In response to the flash flood that occurred in Benue state, our employees collaborated with the State Chapter of the Nigerian Red Cross Society to conduct a charity donation to families affected by the flood. Our employees raised funds through which a total of 100 families and 100 school children received cooking ware and back-to-school supplies, respectively. This activity was realized through an assessment that identified the need for school children, who had been displaced, to settle-in quickly after school resumption; thus our intervention with school bags, sportswear and stationery. Prior to our employees' kind gesture, the Company had donated 1500 cartons of its products through the Office of Social Investment for the Benue State Government to support their nutritional needs.

The School Adoption Programme witnessed interesting intra-school tennis play-offs with our donation of tennis equipment to 17 schools on our adoption list. This year's programme was tied to our commitment to the World Health Organization's global voluntary targets relevant to the business. We focused on Target 3: a 10% relative reduction in prevalence of insufficient physical activity. This is based on the premise that more than 80% of children and adolescents aged 5-17 need at least 60 minutes of physical activity every day to improve and maintain physical and mental health. We also used the opportunity to highlight the importance of good nutrition and active lifestyle.

Embedding a performance culture

Our overarching people strategy in the year under review was to drive a high performance culture through employee development and engagement. The goals were to nurture employees for growth by developing their capabilities, engage them and gain their alignment to business ambitions so as to ensure the Company is nimble with a commercial mindset.

We continued to implement the personal development plans for our leadership team, developed and implemented a formal coaching program for two cohorts of the leadership team, started a mentoring program for select employees in the senior staff category and improved the quality of one-on-one discussions between line managers and their direct reports. With a continuous focus on our key strategy of capability development, employees at all levels were exposed to a variety of learning initiatives to enhance their technical, behavioral and leadership skills.

In the employee engagement space, we conducted several employee surveys and acted on the feedback received. We also organized awards and recognition programs for deserving employees who demonstrated the right values and achieved significant results on their jobs.

In 2017, we prepared and started implementation of our 5-year vision to be driven by a mindset of Lead, Fight and Inspire. This influenced a positive change in mindset and behavior across the Company. It further defined how we intend to lead the industry, win in the market and inspire a professional work place. This will provide a strong foundation to achieve our target and ambitions in 2018.

Company Secretary

During the year under review, the Company Secretary, Mrs. Bolade Obat-Olowu resigned from the Company with effect from 14 July 2017.

Mrs. Olubukunola Olateru, FCIS was appointed, initially acting, as Company Secretary effective from 1st August 2017 and has now been confirmed in the role.

Outlook 2018

The country's real GDP growth is expected to pick up from 0.8% in 2017 to 2.5% in 2018. Analysts have revised forecasts upwards reflecting the expectations that oil production will continue to recover, reforms in the foreign exchange market and improved supply of electricity will help lift growth in the non-oil sector.

Foreign exchange constraints, high inflation rate and low consumer purchasing power are likely to be some challenges we will grapple with in the year. Milk price is projected to reduce which will help mitigate the impact of these realities.

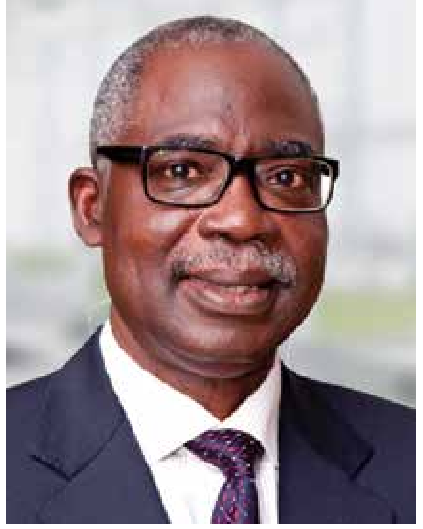
Conclusion

On behalf of the Board of Directors, I thank you, our esteemed shareholders for the confidence you have had in the Board and Management over the years; our consumers for choosing our brands; all employees for their hard work and dedication; and to our suppliers and distributors for their commitment and partnership.

Thank you.

J.M. Ajekigbe, OFR

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 of the Company 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; an MBA degree from the University of Lagos; and an 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. Mr Ajekigbe, formerly Managing Director/Chief Executive Officer of First Bank of Nigeria PLC, 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 Kakawa Discount House Ltd. He was a member of the Board of First Pensions Custodian Limited, FBN Bank (UK) Ltd, V-Networks Nigeria Ltd (now Airtel) and Transnational Corporation of Nigeria PLC.

He currently serves on the boards of some not-for-profit organisations; and he is a member of the Governing Council of the Institute of Directors Nigeria where he also serves as Chairman of the Director Development Committee. He is the Chairman of the Board of Opticom Leasing Company Ltd, and a member of the Board of Nycil Limited. He is a Fellow of the Chartered Institute of Bankers, Fellow of the Institute of Directors, and a Senior Fellow of the Nigeria Leadership Initiative.

MR. BERNARD CHERUIYOT LANGAT
Managing Director

Mr. Bernard Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as Managing Director on 13 March 2017. Prior to this appointment, he held the position of Managing Director, Nigerian Bottling Company Limited, Coca Cola Hellenic Bottling Company. Mr. Langat has over 24 years work experience spanning various senior management roles in Unilever Kenya, Malawi and Ghana respectively. He also held the position of Finance Director of Nigeria Bottling Company from June 2009 to October 2012.

Mr. Langat is an Accountant by profession with a degree in Commerce at the University of Nairobi, Kenya. He is an alumnus of Harvard Business School, Boston and has done several professional courses including the Excel Leadership program from IMD, Lausanne. Mr. Langat is a Certified Public Accountant of Kenya CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and former council member Kenya Institute of Management (KIM).

MR. ROEL VAN NEERBOS
Non-Executive Director

Mr. Roel van Neerbos is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board of the Company as a Non- Executive Director on 1 January, 2017.

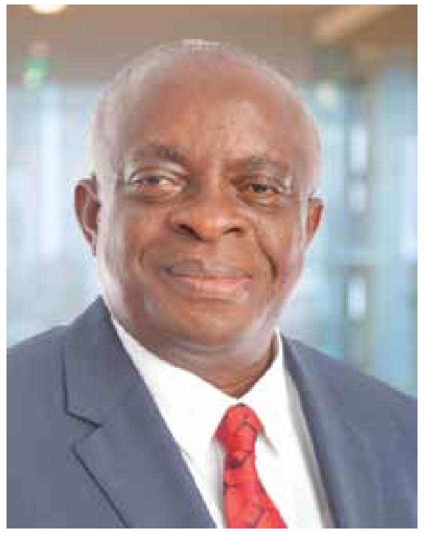
Mr. Roel van Neerbos is the President of FrieslandCampina Consumer Products.
Prior to this appointment he held the position of Chief Executive Officer of Maxeda Diy Retail Group. Before that he worked for Heinz as President Continental Europe and Global Ketchup. He worked with Mattel between as Vice President Iberia EEMEA and Latin America. He was Marketing Director, Procter & Gamble, General Manager, Vice President Morocco & Babycare, Middle East/Africa. He served as Marketing Manager Pampers & Always, Punica, Holland, Brand Manager Dreft &Pampers, Holland.

Mr. Roel van Neerbos studied Business Administration and obtained a Master's Degree from Groningen University in The Netherlands.

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 marketing. A graduate of Homerton College Cambridge and London Business School. She has extensive experience in Strategy and Global Marketing as well as Consumer Brands marketing, which she acquired whilst working with international organizations including Unwin Hyman Publishers, SmithKline Beecham in London and the Red Cross Children's Hospital in Cape Town, South Africa, amongst others.

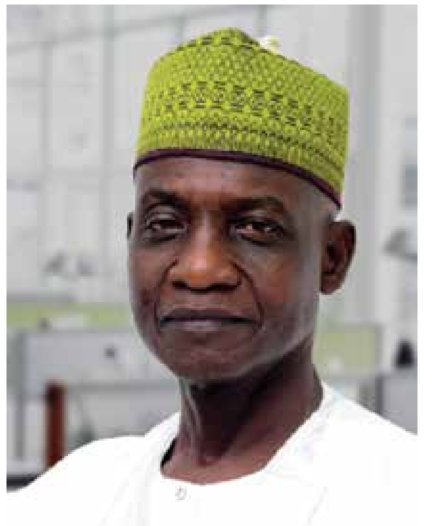


REV. ISAAC ADEFEMI AGOYE
Non-Executive Director

Rev. Isaac Ade 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 and did attend various 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, the current Vice President, Manufacturers Association of Nigeria (Lagos zone), Honorary National Treasurer, Manufacturers Association of Nigeria, a member of Lagos Research and Development Council and the General Overseer of The New Life Miracle Church.



ENGR. MUSTAFA BELLO, FNSE
Non-Executive Director

Engineer 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.

Engineer 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 South Africa from 2004- 2008.

He holds a Bachelor of Civil Engineering degree from 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.

Engr. Bello was in December 2017 appointed to the Board of Zenith Bank PLC as a Non-Executive Director.

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 appointed Managing Director of FrieslandCampina Africa. He joined the Board of FrieslandCampina WAMCO Nigeria PLC as a Non-Executive Director on 1 January 2015.

He 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.

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.

Mr. Steetskamp is currently Chairman of the Netherlands Agro, Food & Technology Centre. He is an astute leader who has continued to raise the bars and standards of FrieslandCampina in the various capacities he has worked in the last twenty-two years. He holds a degree in Economics from HES Amsterdam (Academy for Economics Studies).

Management team profile

BERNARD CHERUIYOT LANGAT
Managing Director

Mr. Bernard Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as Managing Director on 13 March 2017. Prior to this appointment, he held the position of Managing Director, Nigerian Bottling Company Limited, Coca Cola Hellenic Bottling Company. Mr. Langat has over 24 years work experience spanning various senior management roles in Unilever Kenya, Malawi and Ghana respectively. He also held the position of Finance Director of Nigerian Bottling Company from June 2009 to October 2012. Mr. Langat is an Accountant by profession with a degree in Commerce from the University of Nairobi, Kenya. He is an alumnus of Harvard Business School, Boston and has done several professional courses including the Excel Leadership program at IMD, Lausanne. Mr. Langat is a Certified Public Accountant of Kenya CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and former council member, Kenya Institute of Management (KIM).

DOYIN ASHIRU
Operations Director

Mr. Doyin Ashiru is the Operations Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in February 2015. Mr. Ashiru is a registered Mechanical Engineer, with an Honours Degree from the University of Benin, Nigeria and a Masters in Business Administration (MBA) from University of Lagos. He is a corporate member of the Nigerian Society of Engineers, and a COREN Registered Mechanical Engineer.

He previously worked with Unilever Nigeria PLC as the Manufacturing Director, after three-and-a-half years as Head of Quality & Sustainability for Coca-Cola HBC (Nigerian Bottling Company), he returned to Unilever as the Manufacturing Director, covering all the multi categories factories. He has also served as Regional Supply Chain Excellence Manager for Unilever in Africa, Asia & Middle East, based in Durban, South Africa. Doyin has worked with numerous global multinationals in various capacities including Senior Management Executive, UAC Nigeria, Plant Manager, General Motors, Company Safety Health and Environment Manager and Engineering Manager, Unilever, before his transfer to Durban, South Africa, for the Regional role.

ADEWALE ARIKAWE
Sales Director

Mr. Adewale Arikawe is the Sales Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in August 2014. He holds a Bachelor's Degree in Political Science, and Master of Public Administration (MPA), from Ogun State University. He has attended business school courses at IMD Lusanne, Switzerland and Lagos Business School. He is accredited by Advertising Practitioners Council of Nigeria (APCON) and Institute of Chartered Accountants (ICA).

He has accumulated over 22 years experience in the Commercial part of the business starting from Multichoice Nigeria where he began his career in Sales, and in 18 years of working in various capacities at Nestle Nig. PLC where he pioneered both Regional Sales Operations South-South and Branch Office South and East of Nigeria. He was later transferred to Lagos to set up the National Institution and Alternative Business Operations before moving into Marketing as Category Business Manager for Dairy in Nestle Nigeria.

As part of the Generating Demand team in Nestle, he started the Specialty and Import business to trigger new consumption opportunities in the country and later headed the Modern Trade Team before joining FrieslandCampina.

Adewale is a leader that works with passion, influences his team to drive the link between engagement and performance, is result oriented and constantly strives for continuous improvement. He currently oversees the Sales, Shopper Marketing and Business Excellence departments of the Company.

DIRK VAN BREEN
Finance Director

Mr. Dirk Van Breen is the Director of Finance for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in April 2017.

Mr Van Breen holds a Bachelor's Degree in Accountancy from Hogeschool, Utrecht, a Master's Degree in Accounting and Control, as well as a Post-Master's Accountancy Degree from Vrije University, Amsterdam. He also attended business courses at IMD Business School, Lausanne, Switzerland.

Mr Van Breen joined FrieslandCampina, Amersfoort in 2013 as Corporate Procurement Controller, and became the Finance Director, FrieslandCampina Export, Wolvega in January, 2015.

Mr Van Breen started his career with Deloitte, where he worked for three years before assuming the position of Financial Controller; Manager, Financial Reporting and then Business Controller, Supply Chain at Ahold Europe.

ORE FAMUREWA
Corporate Affairs Director

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

Ore is vastly experienced in government relations and communications with a proven track record. She has risen through the ranks in various capacities with over 20 years experience within the organisation. To achieve the company's nutrition agenda, Ore pioneered the Nutrition Unit in 2005 through the establishment of a Nutrition Foundation named Olu Akinkugbe Child Nutrition Center, now OAWNC. This enables FrieslandCampina WAMCO act as a catalyst for change through relevant nutrition interventions to help reduce incidences of malnutrition among the vulnerable group in Nigeria.

Ore 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 Nigerian Institute of Public Relations (NIPR), Institute of Directors (IOD), National Institute of Marketing of Nigeria (NIMN) and Nutrition Society of Nigeria (NSN). Ore is also a WimBoard Fellow of Women in Management, Business and Public Service (WIMBIZ). She has attended leadership courses in Nigeria and abroad at Lagos Business School, IMD, Switzerland and IE Business School, Madrid.

Ore is an amiable go-getter, an effective team coordinator, a respectable woman of integrity who has led several projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won awards including a Top Woman in Marketing and Communications.

TOMINIYI ONI
Human Resources Director

Mr. Tominiyi Oni is the Human Resources Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in September 2013. He holds a Bachelor's Degree in Psychology and an MSc in Industrial Psychology from University of Lagos, Nigeria. He has attended business school courses at IMD, Wharton, Manchester and Lagos Business School and he is certified by the British Psychological Society in Occupational Testing.

Prior to this appointment, Tominiyi was the HR Adviser to the Director General, Securities & Exchange Commission (SEC) from 2010 to 2013, and worked with the oil & gas giant, Shell in Nigeria, UK, Netherlands and Norway in the human resources function. Tominiyi has also held various managerial positions in blue chip organisations in Nigeria such as Guinness Nigeria Plc, as Organisation Development Manager, PricewaterhouseCoopers as Manager HR consulting, British Council as Country Human Resources Manager and Air Liquide as Personnel/ Administration Manager etc. Tominiyi is a member of The British Psychological Society (UK), The Chartered Institute of Personnel Management of Nigeria (CIPM), and Human Capital Institute (USA). He is a governing Board member of Chief Learning Organisation (USA), Institute of Mentoring and founder of the Port Harcourt HR roundtable.

CHRIS WULFF-CAESAR
Marketing Director
Effective 1 April, 2018

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 (Honors) 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 almost 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 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 an Associate member of the Advertising Practitioners Council of Nigeria (APCON). He is also involved with a few organizations which target the development and establishment of infrastructure for primary education in his home country and is 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.

TARANG GUPTA
Marketing Director
Until 31 December, 2017

Mr. Tarang Gupta is the immediate past Marketing Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in July 2014.

He holds a Bachelor's Degree in Hotel Management and an MBA in Marketing from Bangalore, India. Prior to this appointment, Tarang served as the International Marketing Director for the Infant and Toddler Nutrition Category, leading unique brands of the company such as Friso, Dutch Lady, Frisian Flag, Peak, Noy Noy (Greece). His work history includes successful experience managing all major branding, marketing and sales initiatives for Unilever & Perfetti Van Melle.

He is a smart and experienced commercial business leader with exceptional skill set in Marketing & Sales, who has been instrumental in driving the commercial activities for FrieslandCampina WAMCO for the past few years.

Tarang exhibits an outstanding work ethic, commitment to team achievements and comprehensive knowledge of strategy development, brand building and development, channel/retail management and communication development.

Quality **at its Peak**

To safeguard the safety and quality of our products, people and processes throughout the entire production chain, FrieslandCampina has its own internal quality and food safety management system, called FoQus. FoQus supports our company in the development of an increasingly robust production process. With FoQus, strict requirements are enforced to ensure that all our products and the way in which it is produced meet our own high standards on food safety, quality, labour safety and environment.

By this process, the Peak brand offers consumers and customers the guarantee that its products and manufacturing processes meet global standards on quality and food safety.

Directors and other corporate information

Board of Directors:	Mr. Jacobs Moyo Ajekigbe, OFR	Chairman
	Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director
	Mrs. Oyinkan Ade-Ajayi	
	Rev. Isaac Adefemi Agoye	
	Engr. Mustafa Bello	
	Mr. Peter Eshikena	
	Mr. Roel Van Neerbos (Dutch)	
	Mr. Robert Steetskamp (Dutch)	
Company Secretary/ Legal Adviser	Mrs. Olubukunola Olateru *FCIS*	Appointed with effect from 1 August 2017
Registered Office:	Plot 7b Acme Road Ogba Industrial Estate Ogba, Ikeja, Lagos State	
Registrars:	First Registrars & Investor Services Limited Plot 2 Abebe Village Road, Iganmu, Lagos	
Independent Auditors:	PriceWaterhouseCoopers Landmark Towers Plot 5B Water Corporation Road Victoria Island, Lagos	
Principal Bankers	Access Bank PLC Citibank Nigeria Limited Diamond Bank PLC First City Monument Bank PLC Guaranty Trust Bank PLC Stanbic IBTC Bank PLC Union Bank of Nigeria United Bank of Africa PLC Zenith Bank PLC	

Report of the Directors

for the year ended 31 December 2017

The Directors have pleasure in presenting to members their report and the audited financial statements for the year ended 31 December 2017 with the independent audit opinion.

1 Legal form and principal activities

FrieslandCampina WAMCO Nigeria PLC was incorporated on 17 April 1973. The Company is principally engaged in the manufacturing and marketing of evaporated milk, instant milk powder and other dairy products. There was no change in the activities of the Company during the year.

2 State of affairs/subsequent events

In the opinion of the Directors, the state of the Company's affairs was satisfactory and no event has occurred since the balance sheet date, which would affect the financial statements as presented.

3 Result for the year

The summary of the operating results is as follows:

In thousands of naira	**2017**	2016
Revenue	**140,076,525**	123,749,286
Profit before taxation	**15,857,429**	19,963,190
Taxation	**(3,861,049)**	(6,100,973)
Profit for the year	**11,996,380**	13,862,217
Other comprehensive income	**-**	-
Total comprehensive income for the year	**11,996,380**	13,862,217

4 Dividend

The Company paid an interim dividend of ₦2.20 per share in October 2017 and the Board of Directors has recommended a final dividend of ₦7.02 per share subject to the deduction of appropriate withholding tax at the time of payment.

As a policy, the Company endeavours to pay out 75% of its profit after tax (PAT) as dividend to its shareholders. The final dividend payout depends on the financial performance of the Company and the state of its cash and cash equivalents. If the proposed final dividend is accepted, the total dividend in respect of year 2017 operations will be ₦9.22 per share, amounting to 75% of the Company's PAT.

5 Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 12 to the financial statements.

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. Rahul Colaco (Indian)	Managing Director (Resigned with effect from 13 March 2017)
Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director (Appointed with effect from 13 March 2017)
Mrs. Oyinkan Ade-Ajayi	Non- Executive Director
Rev. Isaac Adefemi Agoye	Non- Executive Director
Engr. Mustafa Bello	Independent Non- Executive Director
Mr. Peter Eshikena	Non- Executive Director
Mr. Roel Van Neerbos (Dutch)	Non- Executive Director (Appointed with effect from 1 January 2017)
Mr. Gregory Sklikas (Greek)	Non- Executive Director (Resigned with effect from 1 January 2017)
Mr. Robert Steetskamp (Dutch)	Non- Executive Director

Mr. Jacobs Moyo Ajekigbe, Mr. Robert Steetskamp and Engr. Mustafa Bello retire by rotation in accordance with Article 85 of the Company's Articles of Association and being eligible, offer themselves for re-election.

7 Directors' interest in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interest in contracts with which the Company was involved as at 31 December 2017.

8 Interest of Directors

The interest of Directors in the issued share capital of the Company as recorded in the Register of Members is as follows:

	Number of ordinary shares held as at 31 December	
	2017 ₦0.50 nominal value	2016 ₦0.50 nominal value
Mr. Jacobs Moyo Ajekigbe, OFR	**1,250,000**	1,250,000
Rev. Isaac Adefemi Agoye	**1,335,418**	1,335,418
Mrs. Oyinkan Ade-Ajayi	**1,136,794**	1,136,794
Mr. Peter Eshikena	**192,646**	136,306
Mr. Bernard Cheruiyot Langat	**Nil**	Nil
Engr. Mustafa Bello	**Nil**	Nil
Mr. Roel Van Neerbos	**Nil**	Nil
Mr. Robert Steetskamp	**Nil**	Nil

9 Corporate governance

a. Commitment

The Corporate Governance principles of the Company provides for best practices to be followed by the Company in every area of its activities and the Board takes responsibility for ensuring that the Company maintains the highest standards. The Board of Directors is dedicated to ensuring that the Company's objectives are achieved. The Company recognizes the importance of high standard corporate governance and is committed to same by institutionalizing corporate governance principles as part of its corporate structure.

b. Board composition

As at 1 March 2018, the Board comprised of eight (8) Directors. The guiding principles of the Company's Corporate Governance are as follows:

- That delegation of authority by the owners to the Board and subsequently to Committees and Management are clearly defined and agreed.
- That there is effective communication and information sharing outside of meetings.
- That actions are taken on fully informed basis, in good faith with due diligence and care and in the best interest of the Company and all stakeholders.
- That compliance with applicable laws and regulations and the interest of stakeholders be enhanced. Where there is any conflict between the Company's rules and legislation, legislation supersedes.
- That there is conformity with the Company's overall strategy and direction.

c. Role of the Board

The functions or the role of the Board of Directors of the Company are guided by the provisions of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria (LFN) 2004, the Company's Articles of Association and other applicable laws and regulations.

d. Frequency and attendance of Board Meetings

Meetings of the Board are held on regular basis. However, meetings may be convened at any time, whenever the need arises. The Board met four times in the course of the year under review.

A summary of the record of attendance at the meetings is presented below:

Name	Number of meetings attended
Mr. Jacobs Moyo Ajekigbe, OFR	4
Mr. Rahul Colaco	-
Mr. Bernard Cheruiyot Langat*	3
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

* Appointed on 13 March 2017

Board Meetings were held on 28 February 2017, 18 May 2017, 30 August 2017 and 30 November 2017.

e. Orientation and training of Directors

The Company has an induction programme for new Directors to keep them in tune with their fiduciary duties and responsibilities and also to familiarize them with the Company's business. The Directors also participate in periodic, relevant professional training programmes to keep them abreast of new developments that would assist them in the discharge of their duties to the Company.

f. Audit Committee

The Audit Committee met four times during the year under review for meetings and also visited the sites of the Company's Dairy Development Programme. The meetings were held on 27 February 2017, 9 March 2017, 31 August 2017 and 29 November 2017.

i. Membership

Rev. Isaac A. Agoye	(Non-Executive Director)	Chairman
Mr. Samuel S. Adebayo*	(Shareholder)	Member
Mr. Okwudili G. Emodi	(Shareholder)	Member
Mr. Peter Eshikena	(Non-Executive Director)	Member
Sir. Sunday N. Nwosu	(Shareholder)	Member
Mr. John Ogundipe**	(Shareholder)	Member
Mr. Robert J. Steetskamp	(Non-Executive Director)	Member

A summary of the record of attendance at the meetings is presented below:

Name	Number of meetings attended
Rev. Isaac A. Agoye	4
Mr. Samuel S. Adebayo*	1
Mr. Okwudili G. Emodi	4
Mr. Peter Eshikena	4
Sir. Sunday N. Nwosu	4
Mr. John Ogundipe**	2
Mr. Robert J. Steetskamp	3

*Mr. S.S Adebayo was not nominated as a member of the Audit Commitee at the last Annual General Meeting.
**Mr. John Ogundipe was nominated and elected as a member of the Audit Committee by shareholders at the last Annual General Meeting

ii. Responsibilities

The Committee is established in compliance with section 359(6) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria (LFN) 2004.

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

g. 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. Only the Managing Director is a member of the Board. The other Management team members are not Board members.

The members of the Management Team as at the date of this report are:

1)	Mr. Bernard Langat	Managing Director
2)	Mr. Adewale Arikawe	Sales Director
3)	Mr. Doyin Ashiru	Operations Director
4)	Mr. Dirk van Breen	Finance Director
5)	Mrs. Ore Famurewa	Corporate Affairs Director
6)	Mr. Tarang Gupta*	Marketing Director
7)	Mr. Tominiyi Oni	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.

*Mr. Tarang Gupta ceased being the Marketing Director on 31 December 2017. Mr. Chris Wulff-Caesar replaces him from 01 April 2018.

h. Shareholders' participation
The Company is conscious of and promotes shareholders' rights. It continues to take 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 the contributions of shareholders during the Company's organized shareholders' visits to its factory and at Annual General Meetings.

i. Code of Business Conduct and Ethics
The Company has a Code of Conduct, known as Compass, which sets out the values and principles that should guide all employees in the way and manner they conduct themselves in business relations. Our Compass is our collective and individual commitment to ethical business practices in line with laws, regulations and international best standards. The Company ensures a constant awareness of these values and principles by continuous training, adequate communication of the contents of the Code to its employees, Directors and business partners.

The Company also has a whistle-blowing procedure, known as Speak-Up procedure, to deal with any contravention of our Compass. Issues reported through this medium are investigated and remediated and the identity of the whistle blower is kept confidential.

j. Share trading policy
The Company maintains a share trading policy that guides Directors, Audit Committee members and employees as to their dealing in the Company's shares. Relevant persons are prohibited from dealing in the Company's shares both when they are in possession of material non-public information about the Company's activities as well as during prescribed "black-out" periods.

k. Company Secretary
The Company Secretary, Mrs. Bolade Obat-Olowu, resigned from the Company with effect from 14 July 2017 after years of meritorious service. We appreciate her immense contribution to the growth of the Company. The Board appointed Mrs. Olubukunola Olateru *FCIS* as Company Secretary with effect from 01 August 2017.

10 Employees and workplace development initiatives

The employee remains the Company's greatest valuable asset. Our quest to Lead, Fight and Inspire is already embedded in the hearts of all the employees through open and constant communication. Our employees are exposed to lots of learning initiatives as the Company transforms into a learning organisation.

The Company upholds all local and internationally recognized human rights laws and regulations for all stakeholders. Our employees do not discriminate based on race, gender, age, religion, national, ethnic or social origin in line with the principles of "responsible entrepreneurship" based on the OECD Guidelines for multinational enterprises, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Universal Declaration of Human Rights.

The Company is against any form of child labour and/or forced labour and supports its elimination wherever it can. It also expects its business partners to do likewise.

11 Sustainability

The Company is committed to running its business in an environmentally sound and sustainable manner. The Company is committed to operating its business in a climate-neutral way by minimizing the impact of its processes and products on the environment and at the same time maximizing its efforts to promote good health and nutrition and also support dairy farmers. In so doing, the Company contributes to sustainable development whilst protecting future generations.

The Company has zero tolerance for corruption as it is inimical to our values as set out in our Compass.

The Company places a huge priority on the wellbeing of its employees and does not discriminate against any employee on the basis of health.

12 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 medical service provider 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.

13 Consultation and training

The Company is committed to keeping employees fully informed as far as possible regarding the Company's performance and progress and seeking their views wherever practicable on matters, which particularly affect them as employees. Management, professional and technical expertise are the Company's major assets, and investment in developing such skills is given adequate attention.

14 Analysis of shareholdings

Range	Number of shareholders	Holders %	Number of shares held	Holdings %
1 - 10,000	2,001	68.02	5,375,819	0.55
10,001 - 20,000	264	8.97	3,872,922	0.40
20,001 - 50,000	267	9.08	8,856,034	0.91
50,001 - 100,000	134	4.56	9,787,227	1.00
100,001 - 500,000	181	6.15	41,418,205	4.24
500,001 - 1,000,000	26	0.88	19,386,762	1.99
1,000,001 - 5,000,000	61	2.07	124,140,783	12.71
Above 5,000,000	8	0.27	763,498,184	78.20
	2,942	100	976,335,936	100
Nigerian public	2,941	99.96	314,258,004	32.19
FrieslandCampina Nigeria Holding B.V	1	0.04	662,077,932	67.81
	2,942	100	976,335,936	100

15 Suppliers

a. The Company's significant overseas suppliers are:
- Cargill Deutschland GmbH
- FrieslandCampina Nederland BV
- ROQUETTE FRERES, France
- Syral, France
- Topec BV

b. The Company's significant local suppliers are:
- African Truckers Limited
- Algorithm Media Limited
- Arvee Industries Limited
- Avons Crowns Cap Nigeria PLC
- Bollore Africa Logistics Nigeria Limited
- GMT Nigeria Limited
- Golden Oil Industries Limited
- Nampak PLC
- Oracle Experience LTD
- POINT Print Management Nigeria Limited
- Presco Nigeria Limited
- Primepak Industries Nigeria Ltd
- Rigid Pak Container Limited
- Veevee Paper Products Limited
- Plantation Industries Limited

16 Know-how and licence agreements

The Company has a Know-How Licence and Trade mark Licence Agreement; a Research and Development Know-How Licence Agreement and a Dairy Development Agreement with Friesland Brands B.V., in the Netherlands.

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 the products produced and sold by FrieslandCampina WAMCO Nigeria PLC.

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

17 Donations

In 2017, the Company made donations amounting to ₦24,714,444 (2016: ₦37,196,328) as follows:

Charity donations	Amount in Naira
Adonai Orphanage Home & Widow Centre, Kaduna State	213,400
Bert Torey Home for Mentally Handicapped Children, Zaria, Kaduna State	213,400
Besthsida Orphanage, Ikachi, Benue State	213,400
Child Care Trust Abuja	213,400
Chims Motherless Babies Home, Aba, Abia State	213,400
Compassionate Orphanage, Igando, Lagos State	213,400
Dominican Sisters' College Abatete, Anambra State	213,400
Franciscan Sisters of Immaculate, Lekki, Lagos State	213,400
Heart of Gold Orphanage, Surulere, Lagos State	213,400
Jesus Children Mission Outreach, Ibadan, Oyo State	213,400
Little Saints Orphanage, Ikorodu, Lagos State	353,632
Little Sisters of the Poor, Enugu State	243,316
Madonna School for the Handicapped, Okpanam, Delta State	213,400
Marble House of Sarah Charity Home, Ibusa, Delta State	213,400
Marian Monastery, Enugu State	213,400
Mother's Welfare Group, Asokoro, Abuja	213,400
Methodist Motherless Babies Home, Uzuakoli, Abia State	353,632
Old Peoples Home, Yaba, Lagos State	213,400
Oluyole Cheshire Home, Ibadan, Oyo State	213,400
Our Lady of Lourdes Maternity & Clinic, Ipetunmodu, Osun State	213,400
Our Lady's Hospital & Orphanage, Zawan, Plateau State	213,400
Ovie Brume Foundation, Victoria Island, Lagos State	213,400
Red Cross Yaba, Lagos State	213,400
Samaritan Project, Ebute-Metta, Lagos State	213,400
SDA Motherless Home, Aba, Abia State	353,632
SOS Children's Village, Isolo, Lagos State	213,400
St. Monica's Orphanage, Lagos State	213,400
Ufon Abasi Orphanage, Akwa- Ibom State	353,632
Winnie's Castle of Love Orphanage Home, Ibadan, Oyo State	213,400
Orphanage fix-up- Adonai Orphanage and widow centre, Kaduna	1,000,000
	7,779,444
Donation to Benue State flood victims	2,835,000
Water project	
Solar-powered water facility at Christian Relief Fund Orphanage, Obosi Anambra State	5,500,000
Tertiary endowment	
University of Ibadan – Food Science & Technology Department	1,100,000
University of Maiduguri – Food Science & Technology Department	1,100,000
University of Nigeria Nsukka – Food Science & Technology Department	1,100,000
University of Uyo- Food Science & Technology Department	1,100,000
Federal University of Tech. Minna- Dept of Animal Production	1,100,000
Modibbo Adama University of Technology, Yola (formerly Federal University of Technology, Yola) – Dept of Food Science and Technology	1,100,000
	6,600,000
Others	
Industry Technology Transfer Fellowship	1,000,000
Association of Food Beverage and Tobacco Employers (Industry project)	1,000,000
	2,000,000
Total	**24,714,444**

In accordance with Section 38(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.

18 Auditors

In accordance with Section 38(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
Company Secretary
FRC/2018/ICSAN/00000017968

Lagos, Nigeria

01 March 2018

Statement of Directors' responsibilities

for the year ended 31 December 2017

The Companies and Allied Matters Act 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 responsibility includes:

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;

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.

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:

Jacobs Moyo Ajekigbe, OFR
FRC/2013/IODN/0000000002472

01 March, 2018

Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493

01 March, 2018

Affordable nutrition **at its Peak**

FrieslandCampina WAMCO is excited to be in the position to make a difference in the lives of Nigerians. Driven by the purpose 'nourishing by nature', our Company aims to provide affordable nutrition through a range of low unit portion packs of its premium brands. This is with the knowledge that through the daily consumption of milk, enabled by increased accessibility to quality dairy nutrition, consumers have the opportunity of getting up to 50% of the nutrients that they require daily for healthy living, which the body cannot produce on its own.

In this regard, the Peak brand has in its range, a basket of low unit portion packs in evaporated and powered variants, targeted to reach deeper into the income pyramid. Through this, FrieslandCampina WAMCO is able to contribute to the nutrient security of Nigeria and in resolving incidences of malnutrition.

Report of the Audit Committee

to the members of FrieslandCampina WAMCO Nigeria PLC
for the year ended 31 December 2017

In accordance with Section 359 (4) and (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we the members of Audit Committee hereby confirm that we have examined the Auditors' Report for the accounting year ended December 31, 2017 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 2017 and were satisfied with the explanation obtained.
3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2017 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 2017 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.

The members of the Committee visited the sites of the Dairy Development Programme (DDP) to ascertain the Company's efforts in backward integration. We are satisfied with the efforts being made.

We acknowledge the co-operation of Management in the conduct of our responsibilities.

Rev. Isaac Agoye
Chairman, Audit Committee
FRC/2015/ICAN/00000013104

LAGOS, NIGERIA

Dated: 28 February 2018

MEMBERS OF THE COMMITTEE
Rev. Isaac Agoye - Chairman
Chief Godwin Emodi
Mr. Peter Eshikena
Sir Sunday N. Nwosu, KSS, GCOA, MIoD
Mr. John Ogundipe
Mr. Robert Steetskamp

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 2017, 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 2017;
- the statement of 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). 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 the Directors Report, Chairman's statement, Corporate Governance Report, Statement of Directors' Responsibilities, Report of the Audit Committee, Statement of value added and Five Year Financial Summary but does not include the financial statements and our auditor's report thereon

Our opinion on the financial statements does not cover the other information and we do not express 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.

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

Independent auditor's report cont'd

to the members of FrieslandCampina WAMCO Nigeria PLC

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 comprehensive income are in agreement with the books of account.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1189811

3 April 2018

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

Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143

Statement of financial position

as at 31 December 2017
In thousands of naira

	Note	2017	2016
Assets			
Non-current assets			
Property, plant and equipment	12	**23,404,320**	17,918,644
Intangible assets	13	**-**	9,247
Prepayments	14(b)	**36,477**	20,519
Total non-current assets		**23,440,797**	17,948,410
Current assets			
Inventories	16	**34,404,570**	12,700,685
Trade and other receivables	17	**11,413,224**	10,212,996
Prepayments	14	**13,598,138**	4,981,276
Derivative assets	18(a)	**231,547**	314,615
Cash and cash equivalents	18(b)	**10,615,543**	26,699,287
Total current assets		**70,263,022**	54,908,859
Total assets		**93,703,819**	72,857,269
Equity			
Share capital	19(a)	**488,168**	488,168
Share premium	19(a)	**350,211**	350,211
Retained earnings		**17,780,145**	15,449,491
Total equity attributable to owners of the Company		**18,618,524**	16,287,870
Liabilities			
Non-current liabilites			
Employee benefits	20	**613,368**	524,128
Deferred tax liabilities	15	**2,715,984**	1,314,064
Total non-current liabilities		**3,329,352**	1,838,192
Current liabilities			
Current tax liabilities	10(b)	**2,652,564**	6,424,759
Bank overdraft	18(c)	**1,943,091**	25,916
Trade and other payables	21	**53,807,297**	46,623,111
Loans and borrowings	22	**13,352,991**	1,657,421
Total current liabilities		**71,755,943**	54,731,207
Total liabilities		**75,085,295**	56,569,399
Total equity and liabilities		**93,703,819**	72,857,269

The financial statements were approved by the Board of Directors on 1 March 2018 and signed on its behalf by:

Chairman - **Jacobs Moyo Ajekigbe, OFR**
FRC/2013/IODN/00000000002472

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

Additionally certified by:

Finance Director - **Dirk van Breen**
FRC/2018/ANAN/00000018059

The accompanying notes and significant accounting policies on pages 46 to 78 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2017

In thousands of naira

	Note	2017	2016
Continuing operations			
Revenue	5	**140,076,525**	123,749,286
Cost of sales	7(a)	**(111,942,564)**	(90,626,196)
Gross profit		**28,133,961**	33,123,090
Other income	8	**4,098,678**	-
Selling and distribution expenses	7(a)	**(9,568,664)**	(7,757,175)
Administrative expenses	7(a)	**(5,315,549)**	(3,971,197)
Results from operating activities		**17,348,426**	21,394,718
Finance income	6	**1,204,547**	383,348
Finance expense	6	**(2,695,544)**	(1,814,876)
Net finance cost		**(1,490,997)**	(1,431,528)
Profit before income tax	7(b)	**15,857,429**	19,963,190
Income tax expense	10(a)	**(3,861,049)**	(6,100,973)
Profit for the year		**11,996,380**	13,862,217
Other comprehensive income			
Defined benefit plan actuarial gain/(loss)	20(d)	**-**	-
Other comprehensive income for the year, net of income tax		**-**	-
Total comprehensive income for the year		**11,996,380**	13,862,217
Profit for the year is attributable to:			
Owners of the company		**11,996,380**	13,862,217
Total comprehensive income for the year is attributable to:			
Owners of the company		**11,996,380**	13,862,217
Earnings and declared dividend per share			
Basic and diluted earnings per share (naira)	11	**12.29**	14.20

The accompanying notes and significant accounting policies on pages 46 to 78 form an integral part of these financial statements.

Statement of changes in equity

In thousands of naira

	Note	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2016		488,168	350,211	14,006,270	14,844,649
Profit for the year					
Profit for the year		-	-	13,862,217	13,862,217
Other comprehensive income					
Defined benefit plan actuarial gain, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	13,862,217	13,862,217
Transactions with owners, recorded directly in equity					
Dividends	19 (b)	-	-	(12,418,996)	(12,418,996)
Balance as at 31 December 2016		488,168	350,211	15,449,491	16,287,870
Balance at 1 January 2017		488,168	350,211	15,449,491	16,287,870
Profit for the year					
Profit for the year		-	-	11,996,380	11,996,380
Other comprehensive income					
Defined benefit plan actuarial gain, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	11,996,380	11,996,380
Transactions with owners, recorded directly in equity					
Dividends	19 (b)	-	-	(9,665,726)	(9,665,726)
Balance as at 31 December 2017		488,168	350,211	17,780,145	18,618,524

The accompanying notes and significant accounting policies on pages 46 to 78 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2017
In thousands of naira

	Note	2017	2016
Cash flows from operating activities			
Profit before tax		**15,857,429**	19,963,190
Adjustments for:			
Depreciation	12	**1,850,133**	1,806,601
Amortisation of intangible assets	13	**9,247**	42,758
Impairment loss of property, pant & machinery	12	**86,146**	37,423
Long service award expense	20(a)	**92,107**	21,425
Gratuity benefits expense/(credit)	20(b)	**-**	(766,242)
Unrealised fair value change in derivatives	18(a)	**83,068**	(314,615)
Other post employment benefit expense	20(c)	**59,889**	26,273
Net finance cost	6	**1,490,997**	1,431,528
Loss on disposal of property, plant and equipment		**246,339**	94,060
		19,775,355	22,342,401
Change in inventories		**(21,703,885)**	7,601,191
Change in trade and other receivables		**(1,200,228)**	(1,592,054)
Change in prepayments		**(8,632,820)**	(1,218,722)
Change in trade and other payables*		**11,580,396**	16,653,914
Cash generated from operating activities		**(181,182)**	43,786,730
Income tax paid	10(b)	**(6,231,324)**	(3,515,271)
Long service award benefits paid	20	**(62,756)**	(65,486)
Gratuity benefits paid	20	**-**	(1,702,900)
Net cash flow from operating activities		**(6,475,262)**	38,503,074
Cash flow from investing activities			
Finance income	6	**1,204,547**	383,348
Proceeds from sale of property, plant and equipment		**15,099**	45,246
Acquisition of intangible assets		**-**	(7,712)
Acquisition of property, plant and equipment	12	**(7,683,394)**	(1,823,606)
Net cash used in investing activities		**(6,463,748)**	(1,402,724)
Cash flow from financing activities			
Interest paid	6	**(2,695,544)**	(1,814,876)
Dividends paid	19(b)	**(14,061,935)**	(5,801,698)
Movement in loans and borrowings		**11,695,570**	(16,960,679)
Movement in overdraft		**1,917,175**	(1,958,806)
Net cash used in financing activities		**(3,144,734)**	(26,536,059)
Net decrease in cash and cash equivalents		**(16,083,744)**	10,564,289
Cash and cash equivalent at 1 January	18	**26,699,287**	16,134,998
Effect of exchange rate fluctuations on cash held		**-**	-
Cash and cash equivalent at 31 December	18	**10,615,543**	26,699,287

*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 46 to 78 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2017

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 in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. They were authorised for issue by the Company's Board of Directors on 1 March 2018.

The financial statements for the year ended 31 December 2017 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 cash flows 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 the process of 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).

(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.

(d) Use of estimates and judgement

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

Note 20	Employee benefit liabilities
Note 25	Contingencies

Notes to the financial statements cont'd.
for the year ended 31 December 2017

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 as 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.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate as at when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not re-translated.

b) Financial instruments

I. Non-derivative financial assets

The Company's non-derivative financial assets are classified as receivables. The Company initially recognizes receivables and deposits on the date that they originate. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes or available for sale. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any impairment losses. These assets are subject to impairment tests when there is an indication of impairment loss. An impairment loss is recognized if the carrying amount exceeds the estimated recoverable amount. Receivables comprise intercompany receivables and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

II. Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: loan and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

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

III. Derivative assets and liabilities

A derivative is a financial instrument whose value changes in response to the change in a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying'); requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and is settled at a future date. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gains or losses are recognized as financial income or expense in the statement of comprehensive income.

IV. Share capital

Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

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

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 capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

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

When parts of an item of property, plant and equipment have different useful 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 other income in profit or loss.

II. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the 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.

Notes to the financial statements cont'd.
for the year ended 31 December 2017

III. Depreciation

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

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

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

• Leasehold land	25 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	10 years

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

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

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.

f) Leases

I. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

II. Leased assets

Assets held by the Company under leases for which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position.

III. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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) Impairment

I. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss, but only to the extent of what the instrument would have been if no impairment took place.

II. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

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% and 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 present value of economic 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.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income.

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 Group 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.

Notes to the financial statements cont'd.
for the year ended 31 December 2017

IV. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group 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

A 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.

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

i. Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Significant risks and rewards of ownership are determined to be transferred to the buyer at the point of delivery to the buyer.

m) 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.

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.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

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) Government grants

Government grants relating to export sales are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

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) 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.

t) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for this annual reporting period commencing 1 January 2017:

• Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12, and
• Disclosure initiative – amendments to IAS 7.

The adoption of these amendments did not have any material impact on the amounts recognised in prior periods. The amendments will also not materially affect the current or future periods.

u) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 31 December, 2016 and beyond, and have not been applied in preparing these financial statements. The one which may be relevant to the Company is set out below:

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

Nature of change

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Company has reviewed its financial assets and liabilities and is expecting no material impact from the adoption of the new standard on 1 January 2018.

Date of adoption

The Company applied the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated, except in relation to changes in the fair value of foreign exchange forward contracts attributable to forward points, which will be recognised in the costs of hedging reserve.

IFRS 15 Revenue from contracts with customers (2014)

Nature of change
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Impact
The Company has reviewed its revenue recognition policy and is expecting no material impact from the adoption of the new standard on 1 January 2018.

Date of adoption
The Company applied the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

IFRS 16 Leases (2016)
The IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).

One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios).

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 16 could have on its business; however, the Group (or Company) will adopt the standard for the year ending 31 December 2019.

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.

a) Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

• Note 5 - Revenue: Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

b) 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 2014 is included in the following notes:

• Note 20 - Measurement of employee benefit liablities: key actuarial assumptions;
• Note 25 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

4i. Measurement of fair values
A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
• Note 23 - financial instruments

a) Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement or reporting date. Fair value for shortterm receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at each annual reporting date.

b) Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

In thousands of naira	2017	2016
Local	**139,725,972**	122,896,472
Export (Note 26 (d) (ii)	**350,553**	852,814
	140,076,525	123,749,286

6 Finance income and finance cost

In thousands of naira	2017	2016
Interest income on short term deposit	1,204,547	383,348
Finance income	1,204,547	383,348
Interest expense on overdrafts, loans and borrowings	(2,313,708)	(1,795,048)
Foreign exchange loss, net	(381,836)	(19,828)
Finance expense	(2,695,544)	(1,814,876)
Net finance cost	(1,490,997)	(1,431,528)

7(a) Analysis of expenses by nature

In thousands of naira	2017	2016
Finished goods, raw materials and consumables	99,500,326	78,213,969
Transportation cost	2,610,231	2,362,366
Technical service and royalty expenses	3,471,772	3,492,345
Advertisement and promotion costs	4,039,603	3,447,652
Market research expenses	329,900	22,101
Agency personnel cost	776,217	696,395
Employee benefit expense	7,976,998	6,776,834
Non-executive Directors' remuneration	51,394	37,120
Depreciation	1,850,133	1,806,601
Amortisation	9,247	42,758
Impairment of property, plant & equipment	86,146	37,423
Equipment and machinery rental	159,605	61,338
Operating lease rentals	264,848	247,545
Audit Fees	20,027	17,921
Professional fees	150,028	305,601
Maintenance	1,522,966	1,460,960
Fuel and gas expenses	1,054,419	1,077,162
Meeting and conference expenses	245,619	131,510
Travel and hotel expenses	481,755	319,668
Impairment of export expansion grant/ receivables	18,937	19,203
Information and Communications Technology (ICT) expenses	988,341	739,927
Insurance expenses	374,535	300,661
Loss on the sale of property, plant and equipment	246,339	94,060
Security expenses	182,515	266,074
Bank charges	301,662	240,493
Office administration & supplies	88,500	99,684
Donations	24,714	37,196
Total cost of sales, selling, distribution and administrative expenses	126,826,777	102,354,568
Summarised as follows:		
Cost of sales	111,942,564	90,626,196
Selling and distribution expenses	9,568,664	7,757,175
Administrative expenses	5,315,549	3,971,197
	126,826,777	102,354,568

7(b) Profit before taxation

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

In thousands of naira	Note	2017	2016
Amortisation of intangible assets	13	9,247	42,758
Auditor's remuneration		20,027	17,921
Depreciation of property, plant and equipment	12	1,850,133	1,806,601
Impairment of property, plant and equipment	12	86,146	37,423
Non-executive Directors' fees	9(c)	1,590	1,590
Loss on disposal of property, plant and equipment		246,339	94,060
Operating lease payments			
- Business premises		82,785	86,027
- Employee accommodation		182,063	161,518
Employee benefit expenses	9(a)	7,976,998	6,776,834
Technical service and royalty expenses	26(d)(i)	3,471,772	3,492,345

8 Other income

In thousands of naira	2017	2016
Insurance Income	4,098,678	-

This represents insurance settlement of material damage caused by the fire incident of 6 January 2017.

9 Personnel expenses

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

In thousands of naira	2017	2016
Salaries, wages and allowances	7,371,742	7,082,992
Contributions to compulsory pension fund scheme	462,757	411,812
Employee benefits expenses/(credits)	142,499	(717,970)
	7,976,998	6,776,834

(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:

₦		₦	2017 Number	2016 Number
790,001	-	1,290,000	61	53
1,290,001	-	1,790,000	240	246
1,790,001	-	2,290,000	216	228
2,290,001 and above			162	154
			679	681

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

	2017 Number	2016 Number
Production	**325**	337
Supply chain	**48**	47
Sales and marketing	**171**	151
General administration	**135**	146
	679	681

(c) Chairman and Directors' remuneration
Remuneration paid to Directors of the Company was as follows:

In thousands of naira	2017	2016
Executive director	**37,994**	30,000
Directors' fees - Non-executive	**1,590**	1,590
Other emoluments (Non-executive Directors)	**49,804**	35,530
	89,388	67,120
The Directors' remuneration shown above includes:		
Chairman's fees	**330**	330
Chairman's gross emoluments (excluding fees)	**8,800**	7,282
Highest paid director	**37,994**	30,000

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

₦		₦	2017 Number	2016 Number
0	-	4,000,000	**-**	3
4,000,001	-	6,000,000	**-**	3
6,000,001	-	8,000,000	**6**	2

10 Income taxes

(a) Amounts recognised in profit or loss

In thousands of naira	Note	2017	2016
Current tax expense			
Current year tax		**2,233,520**	6,089,654
Current year tertiary education tax		**225,609**	487,760
		2,459,129	6,577,414
Deferred tax expense			
Origination and reversal of temporary differences	15	**1,401,920**	(476,441)
Total income tax expense recognised in profit or loss		**3,861,049**	6,100,973

(b) Current tax liabilities

In thousands of naira	Note	2017	2016
Movement in current tax liabilities during the year was as follows:			
At 1 January		**6,424,759**	3,362,616
Current tax expense	10(a)	**2,459,129**	6,577,414
Payments in the year		**(6,231,324)**	(3,515,271)
WHT credit notes utilised		**-**	-
At 31 December		**2,652,564**	6,424,759

(c) Reconciliation of effective tax rate

In thousands of naira	2017	2017	2016	2016
Profit before tax		**15,857,429**		19,963,190
		15,857,429		19,963,190
Income tax using the Company's domestic tax rate	**30.00%**	**4,757,229**	30.00%	5,988,959
Tertiary education tax	**1.42%**	**225,609**	2.44%	487,759
Tax effect of:				
Non deductible expenses	**9.38%**	**1,486,807**	11.72%	2,339,402
Exempt income	**(9.82%)**	**(1,557,921)**	(1.73%)	(345,712)
Change in recognised deductable temporary differences	**(6.03%)**	**(956,081)**	(9.85%)	(1,966,011)
Tax incentive	**(0.60%)**	**(94,594)**	(2.02%)	(403,424)
	24.35%	**3,861,049**	30.56%	6,100,973

11 Earnings per share

The calculation of basic and diluted earnings per share has been based on the profit attributable to ordinary shareholders of ₦11,996,380,000 (2016: ₦13,862,216,000) and the weighted average number of ordinary shares outstanding of 976,335,938 (2016: 976,335,938).

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

	2017	2016
Profit attributable to shareholders (₦'000)	**11,996,380**	13,862,217
Number of ordinary shares in issue (thousands)	**976,336**	976,336
Basic and diluted earnings per share (Naira)	**12.29**	14.20

12 Property, plant and equipment

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

In thousands of naira	Notes	Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Assets under construction	Total
Cost								
Balance at 1 January 2016		1,607,967	5,006,317	13,064,661	1,856,214	1,116,471	3,050,950	25,702,580
Additions		-	-	-	-	-	1,823,606	1,823,606
Transfers		-	2,038,218	1,185,610	299,211	103,759	(3,626,799)	-
Impairment loss		-	-	(37,423)	-	-	-	(37,423)
Disposals		-	-	(1,497,827)	(160,656)	(93,864)	-	(1,752,347)
Balance at 31 December 2016		1,607,967	7,044,535	12,715,021	1,994,770	1,126,366	1,247,757	25,736,416
Balance at 1 January 2017		1,607,967	7,044,535	12,715,021	1,994,770	1,126,366	1,247,757	25,736,416
Additions		-	-	-	-	-	7,683,394	7,683,394
Transfers		17,807	387,215	3,074,074	451,534	144,628	(4,075,258)	-
Impairment loss		-	-	(86,146)	-	-	-	(86,146)
Disposals*		-	(32,094)	(314,105)	(40,148)	(1,153)	-	(387,500)
Adjustments**		-	112,040	(674,205)	(16,697)	51,260	476,307	(51,295)
Balance at 31 December 2017		1,625,774	7,511,696	14,714,639	2,389,459	1,321,101	5,332,200	32,894,869
Depreciation								
Balance at 1 January 2016		267,840	1,087,554	5,304,747	548,806	415,265	-	7,624,212
Depreciation for the year		64,319	329,426	724,501	505,209	183,146	-	1,806,601
Disposals		-	-	(1,424,684)	(103,779)	(84,578)	-	(1,613,041)
Balance at 31 December 2016		332,159	1,416,980	4,604,564	950,236	513,833	-	7,817,772
Balance at 1 January 2017		332,159	1,416,980	4,604,564	950,236	513,833	-	7,817,772
Depreciation for the year		64,556	354,254	782,199	476,156	172,968	-	1,850,133
Disposals		-	(31,054)	(72,520)	(22,048)	(440)	-	(126,062)
Adjustments		-	(31,844)	(47,128)	12,656	15,022	-	(51,294)
Balance at 31 December 2017		396,715	1,708,336	5,267,115	1,417,000	701,383	-	9,490,549
Carrying amounts								
At 31 December 2016		1,275,808	5,627,555	8,110,457	1,044,534	612,533	1,247,757	17,918,644
At 31 December 2017		1,229,059	5,803,360	9,447,524	972,459	619,718	5,332,200	23,404,320

*₦343.8 million of the assets disposed (total disposal value is ₦387.5 million) relates to assets destroyed by the fire incidence that occurred on 6 January 2017. This resulted in a fire-incident related asset diposal loss of ₦240.4 million (Total disposal loss is ₦246.3 million).
**Adjustments are as a result of asset verification carried out during the year.

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for the year ended 31 December 2017

(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	2017	2016
Buildings	**132,928**	617,068
Plant and machinery	**6,777,461**	745,527
Others	**773,005**	461,011
	7,683,394	1,823,606

At year end, the Company had various ongoing capital projects which included plant upgrades, replacement of sterilizers damaged by fire and expansion of factory capacity. The projects are expected to be completed in 2018.

Borrowing cost capitalised in the current year was ₦115 million. (2016: Nil).

(c) Capital commitments
The approved capital expenditure already committed as at reporting date was ₦1.5 billion (2016: ₦142 million). Capital expenditure approved not contracted amounted to Nil (2016: ₦2.05 billion). 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 (2016: Nil).

(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	2017	2016
Cost	**1,625,774**	1,607,967
Accumulated depreciation	**(396,715)**	(332,159)
Carrying amount	**1,229,059**	1,275,808

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 Intangible assets

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

In thousands of naira	2017	2016
Cost		
Balance at 1 January	164,349	156,637
Additions	-	7,712
Balance at 31 December	164,349	164,349
Amortisation and impairment losses		
Balance at 1 January	155,102	112,344
Amortisation for the year	9,247	42,758
Balance at 31 December	164,349	155,102
Carrying amounts		
At 1 January	9,247	44,293
At 31 December	-	9,247

14 Prepayments

In thousands of naira	Notes	2017	2016
Employee accommodation		117,951	89,083
Business premises		111,329	72,104
Deposit for imports	14 (a)	12,881,865	4,530,390
Insurance		523,470	310,218
		13,634,615	5,001,795
Non-current prepayments	14 (b)	36,477	20,519
Current prepayments		13,598,138	4,981,276
		13,634,615	5,001,795

a) Deposit for imports represents prepayments for imports made to the bank by the Company and GMT Limited, the Company's logistics provider to purchase inventory. As at year end, this amount is held by the corresponding bank for settlement of the foreign supplier.

b) Non-current prepayments represent long-term portion of prepaid rent.

15 Deferred tax liabilities

Deferred tax liability/(asset)

In thousands of naira	2017	2016
Property, plant & equipment	3,362,089	2,850,803
Employee benefit	(196,278)	(167,721)
Foreign exchange loss	(812,516)	(1,737,778)
Foreign exchange gain	362,689	368,760
Net deferred tax liability	2,715,984	1,314,064

	Property, plant & equipment	Employee benefit	Foreign exchange loss	Foreign exchange gain	Total
Balance 1 January 2016	2,596,944	(895,657)	(18,460)	107,678	1,790,505
Recognised in profit or loss	253,859	727,936	(1,719,318)	261,082	(476,441)
Recognised in other comprehensive income	-	-	-	-	-
Balance 31 December 2016	2,850,803	(167,721)	(1,737,778)	368,760	1,314,064
Recognised in profit or loss	511,286	(28,557)	925,262	(6,071)	1,401,920
Recognised in other comprehensive income	-	-	-	-	-
Balance 31 December 2017	3,362,089	(196,278)	(812,516)	362,689	2,715,984

At 31 December 2017, there is no unrecognised deferred tax asset or liability (2016: Nil).

16 Inventories

In thousands of naira	2017	2016
Raw and packaging material	3,681,681	2,679,971
Finished goods	8,394,405	3,059,622
Goods in transit	20,522,860	5,571,140
Spare parts and tools	1,805,624	1,389,952
	34,404,570	12,700,685
Inventories are stated after deducting allowance for obsolescence amounting to:	99,406	190,617

17 Trade and other receivables

In thousands of naira	Notes	2017	2016
Trade receivables	23	**7,870,292**	6,040,665
Insurance claim receivable		**1,542,944**	14,800
Deposit with registrars for dividends	17 (i)	**-**	84,785
Due from related parties	26 (d)	**265,568**	320,571
Other receivables	17 (ii)	**1,734,420**	3,752,175
Trade and other receivables		**11,413,224**	10,212,996

(i) During the year, cash amounting to ₦185.91 million (2016: ₦14.75 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.

(ii) The Company made prepayments to vendors amounting to ₦1.26 billion during the year (2016: ₦3.12 billion).

The Company's exposure to credit and currency risks, and impairment losses related to receivables are disclosed in Note 23.

18a Derivatives

In thousands of naira	2017	2016
Derivative assets	**231,547**	**314,615**

Derivative assets are reported at fair value and are expected to be realised within the next 12 months.

18b Cash and cash equivalents

In thousands of naira	2017	2016
Cash and bank balances	**5,743,072**	11,756,308
Short term deposits	**4,872,471**	14,942,979
Cash and cash equivalents in the statement of cash flows	**10,615,543**	26,699,287

18c Bank Overdraft

	2017	2016
Bank Overdraft	**(1,943,091)**	(25,916)

i. Bank overdraft represents the amount drawn down by the Company as at year end from the overdraft line amounting to ₦5.5 billion received from Stanbic IBTC PLC. The Company also had an overdraft line amounting to ₦2.9 billion from Citibank Nigeria PLC, ₦1 billion from Union Bank, ₦2.5billion from GTBank and ₦2.7billion from Zenith Bank which were not drawn down as at year end. The overdraft lines were on an average interest rate of 21%. (In 2016, the Company as at year end had an overdraft line amounting to ₦2 billion received from Diamond bank PLC with an interest rate of 15%).

ii. The Company's exposure to credit and currency risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 23.

19 Capital and reserves

(a) Ordinary shares

(i) Authorised ordinary shares of ₦0.50 each

In number of shares	2017	2016
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		
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	Notes	2017	2016
At 1 January		**9,351,076**	2,733,778
Declared dividend		**9,665,726**	12,418,996
Payments		**(14,061,935)**	(5,801,698)
At 31 December	21	**4,954,867**	9,351,076

The dividend payable includes ₦4.75 billion (2016: ₦9.25 billion) that could not be paid to the foreign shareholders due to the limited availability of foreign currency.

20 Employee benefit liabilities

In thousands of naira	2017	2016
Long service award benefits obligation	**461,641**	405,735
Other post employment benefits	**151,727**	118,393
	613,368	524,128

i. Other post employment benefits represents 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 Ernst & Young.

The Company has post employment benefit schemes and other long term employee benefit schemes for its employees. The liabilities are all based on independent actuarial valuations by O. O. Okpaise of Ernst & Young with FRC registration number of FRC/2012/NAS/00000000738.

The employee benefit liabilities expose the Company to actuarial risks such as longevity risk and interest rate risk.

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

In thousands of naira	2017	2016
At 1 January	**405,735**	422,682
Included in profit or loss		
Current service costs	**48,462**	50,470
Interest cost	**60,932**	48,030
Curtailment gain	-	(50,648)
Actuarial loss/(gain)	**(17,287)**	(26,427)
	92,107	21,425
Other		
Benefit paid during the year	**(36,201)**	(38,372)
At 31 December	**461,641**	405,735

(b) Movement in present value of the gratuity obligations

In thousands of naira	2017	2016
At 1 January	-	2,469,142
Included in profit or loss		
Current service costs	-	205,536
Interest costs on obligation	-	129,410
Past service cost	-	(1,101,188)
	-	(766,242)
Included in other comprehensive income (OCI)		
Actuarial loss/(gain)	-	-
Other		
Payments during the year	-	(1,702,900)
At 31 December	-	-

(c) Movement in other post employment benefits

In thousands of Naira	2017	2016
At 1 January	**118,393**	119,234
Included in profit or loss		
Past service cost (plan amendment)		
Current service costs	**13,966**	13,415
Interest cost	**17,989**	13,749
Curtailment gain		
Actuarial loss/(gain)	**27,934**	(891)
	178,282	145,507
Other		
Payments during the year	**(26,555)**	(27,114)
At 31 December	**151,727**	118,393

(d) Actuarial (gains) and losses recognised in other comprehensive income for gratuity obligations

	2017	2016
Cumulative amount at 1 January	**389,304**	389,304
(Gain)/Loss recognised during the year	**-**	-
Cumulative amount at 31 December	**389,304**	389,304

(e) Actuarial assumptions

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

Financial assumptions	2017	2016
Long-term Average Discount rate (p.a.)	**14%**	16%
Long-term Average Future Pay Increase (p.a.)	**14%**	14%
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.

Sample age	2017	2016
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	
	2017	2016
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 - 60	**5.0%**	5.0%

(f) 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:

		Other post employment benefits		Long service awards benefits	
	Rate	**2017**	**2016**	**2017**	**2016**
Discount rate	-1%	**171,527**	132,715	**500,456**	437,599
	1%	**134,813**	106,099	**427,281**	377,409
Salary increase rate	-1%	**-**	-	**438,610**	384,056
	1%	**-**	-	**487,165**	429,707
Inflation rate	-1%	**133,790**	105,165	**447,921**	396,691
	1%	**172,482**	133,651	**477,048**	415,878
Mortality	Age rated up by 1 year	**151,788**	118,504	**459,836**	404,257
	Age rated down by 1 year	**151,670**	118,293	**463,263**	407,063

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.

21 Trade and other payables

In thousands of naira	Note	2017	2016
Trade payables		**5,675,312**	5,293,842
Other payables and accruals		**3,636,857**	4,985,557
Amount due to related parties	26 (d)	**39,540,261**	26,992,636
Dividend payable		**4,954,867**	9,351,076
		53,807,297	46,623,111

Payment of ₦55.7 billion was made for raw materials and goods imported in 2017 and in prior years (In 2016, there was ₦N32 billion payment for imported raw materials and goods). The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 23.

22 Loans and borrowings

In thousands of naira	Note	2017	2016
Intercompany loan	22 (a)	**4,033,926**	-
Short Term Finance	22 (b)	**8,418,715**	1,261,202
GMT Nigeria Limited	22 (c)	**900,350**	396,219
		13,352,991	1,657,421

a) This represents short term loan of USD 11.19 million received from FrieslandCampina B.V., Netherlands at interest rate of 6.37% (2016: Nil).

b) This represents short term finance of ₦1.14 billion obtained from First Bank, ₦2billion obtained from Guaranty Trust Bank, and Dollar line finance of ₦2.79billion from CITI Bank and ₦2.17billion from UBA. (2016: ₦1.26 billion from Access Bank at interest rates ranging between 7% and 10%). The interest rate was 21% for the Naira short term facilities and 7% for the Dollar lines.

c) Borrowings amounting to ₦900 million (2016: ₦389 million) represent the invoice amount paid on behalf of the Company by GMT Nigeria Limited for the purchase of finished goods and raw materials. The Company engaged GMT, a logistics provider to assist with the importation and clearing of certain raw materials and finished goods. Payment terms ranged from thirty (30) to eighty-five (85) days from the invoice date. Interest rate is charged at 24.0%.

23 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 Leadership 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.

(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 and arises principally from the Company's receivable from customers, other receivables and short-term investments.

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.

Receivables

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. 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 customers' 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.

ii. Impairment losses
The ageing of receivables that are unimpaired at the reporting date was:

	Carrying amount	
In thousands of naira	**2017**	**2016**
Less than 0-30 days	**10,988,064**	9,715,019
30 - 90 days	**334,091**	160,999
Above 90 days	**226,772**	453,744
Total unimpaired receivables	**11,548,927**	10,329,762
Impairment	**(135,703)**	(116,766)
Total receivables	**11,413,224**	10,212,996

The Company has made an allowance for impairment in respect of receivables as the Company has identified doubtful debts at 31 December 2017 of ₦135.70 million (2016: ₦116.77 million).

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

In thousands of naira	**2017**	**2016**
Balance at 1 January	116,766	97,563
Impairment recognised	18,937	19,203
Balance at 31 December	135,703	116,766

The impairment loss as at 31 December 2017 relates to some customers that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts are collectible based on historical payment behaviour and extensive analysis of the underlying customers' credit rating. In addition, no loans and receivables were written-off during the year as uncollectable.

Cash and cash equivalents
The Company's cash and cash equivalents represents 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.

(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.

The Company has bank overdraft and import finance facilities with its bankers. At year-end, the facilities amounted to ₦14 billion for the overdraft facility (Note 18(c)) and USD 150 million for import facility (2016: ₦13.3 billion for the overdraft facility and ₦14.9 billion and USD 43 million for import facility). Total facility utilized as at year end amounted to ₦1.9 billion for overdraft and USD 90 million for import facility (2016: Nil for overdraft and ₦1.3 billion for import facility).

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

2017 *In thousands of naira*	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5years
Non-derivative financial liabilities						
Bank overdraft	1,943,091	1,943,091	1,943,091	-	-	-
Trade and other payables	53,807,297	53,807,297	53,807,297	-	-	-
Loans and borrowings	13,352,991	13,352,991	13,352,991	-	-	-
	69,103,379	69,103,379	69,103,379	-	-	-

2016 *In thousands of naira*	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5years
Non-derivative financial liabilities						
Bank overdraft	25,916	25,916	25,916	-	-	-
Trade and other payables	46,623,111	46,623,111	46,623,111	-	-	-
Loans and borrowings	1,657,421	1,657,421	1,657,421	-	-	-
	48,306,448	48,306,448	48,306,448	-	-	-

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 purchases and payables 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.

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:

	2017		2016	
Amounts in thousands	Euro	USD	Euro	USD
Cash and cash equivalents	2	2,460	198	960
Trade and other receivables	-	868	-	562
Trade and other payables	(24,878)	(113,591)	(9,902)	(59,171)
Loans and Borrowings	-	(14,632)		(3,911)
Net exposure	(24,876)	(124,895)	(9,704)	(61,560)

The following significant exchange rates applied during the year;

	Average rate		Year end spot rate	
	2017	2016	2017	2016
Euro	349.88	305.15	429.13	368.1
United states dollar (USD)	320.21	278.76	360.49	350

iii. Sensitivity analysis
A 10 percent (2016:10 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.

	2017		2016	
Effect in thousands of Naira	Equity	Profit or (loss)	Equity	Profit or (loss)
Euro	-	1,067,501	-	357,206
USD	-	4,502,377	-	2,154,616

A 10 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.

(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
The Company has no fixed rate instruments.

Variable rate instruments

In thousands of Naira	2017	2016
Short term deposits - financial assets	4,872,471	14,942,979

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015. The change would not affect equity.

	2017		2016 Profit or loss	
	100 BP decrease	100 BP decrease	100 BP increase	100 BP decrease
Variable rate instruments	34,107	(34,107)	104,601	(104,601)
Cash flow sensitivity (net)	34,107	(34,107)	104,601	(104,601)

(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:

	2017		2016	
In thousands of Naira	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at amortised cost				
Trade and other receivables	11,413,224	11,413,224	10,212,996	10,212,996
Cash and cash equivalents	10,615,543	10,615,543	26,699,287	26,699,287
	22,028,767	22,028,767	36,912,283	36,912,283
Liabilities carried at amortised cost				
Trade and other payables	53,807,297	53,807,297	46,623,111	46,623,111
Loans and borrowings	13,352,991	13,352,991	1,657,421	1,657,421
	67,160,288	67,160,288	48,280,532	48,280,532

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.

(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	2017	2016
Total liabilities	**75,085,295**	56,569,399
Cash and cash equivalents	**(10,615,543)**	(26,699,287)
Net debt	**64,469,752**	29,870,112
Total equity	**18,618,524**	16,287,870
Debt to capital ratio at December 31	**3.46**	1.83

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.

24 Operating leases

The Company has operating leases for business premises and accommodation for certain employees. The leases typically run for a period of one to two years and are renewable at the end of the contract. The full lease rental is paid in advance at the commencement of lease. Refer to note 7b for amounts expensed in respect of the these leases and Note 14 for prepayments at year-end.

25 Contingencies

(a) Guarantees

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

In thousands of naira	2017	2016
Staff car loans	**34,161**	63,917
Staff housing loans	**140,539**	187,478

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 seven 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 ₦717.5 million (2016: ₦582.7 million). 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.

26 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 Netherlands, with a 67.81% (2016: 67.81%) shareholding.

(b) Transactions with key management personnel

Loan to key management personnel

Loans to key management personnel issued during the year ended 31 December 2017 was Nil (2016: Nil). At 31 December 2017, the balance outstanding was Nil (2016: Nil).

(c) 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	2017	2016
Short-term employee benefits	**202,216**	150,379
Contribution to compulsory pension fund scheme	**10,978**	9,347
Long-term employee benefits	**5,489**	4,673
	218,683	**164,399**

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 (2016: 0.39 percent of the company's issued share capital).

(d) Other related party transactions

(i) Payables, purchases and royalty expense

In thousands of naira	Nature of transaction	Transaction value for the year		Balance outstanding at year-end (Note 21)	
		2017	2016	2017	2016
Related Party FrieslandCampina Nederland BV	Royalty expense (Note (e)(i), 8)	**3,471,772**	3,492,345	**1,376,915**	4,328,557
FrieslandCampina Nederland BV	Purchases (Note (e)(ii))	**64,823,807**	44,740,625	**38,163,346**	22,664,079
		68,295,579	48,232,970	**39,540,261**	26,992,636

(ii) Receivables and sales

In thousands of naira	Nature of transaction	Transaction value for the year		Balance outstanding at year-end (Note 17)	
		2017	**2016**	**2017**	**2016**
Friesland Export West Africa, Netherlands	Sales (Note (e) (iii))	**350,553**	852,814	**265,568**	320,571
		350,553	852,814	**265,568**	320,571

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

(e) 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 BV, in the Netherlands, 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 ₦3.47 billion (2016: ₦3.49 billion) has been charged to the profit or loss account in respect of these fees (Note 8).

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

Details of the NOTAP certificates are listed below:
- File number NOTAP/AG/MN/126/17/106 with a limit not exceeding ₦4.13 billion
- File number NOTAP/AG/MN/126/16/286 with a limit not exceeding ₦2.99 billion (extension of File number AG/MN/126/16/57 with a limit not exceeding ₦4.69 billion) -
File number NOTAP/AG/MN/126/18/81 with a limit not exceeding ₦2.45 billion.

(ii) The Company also entered into transactions with FrieslandCampina Nederland BV, for the purchase of finished products, raw materials, spare-parts and technical support. FrieslandCampina Nederland BV maintains a current account with the Company in respect of these transactions.

(iii) The Company exports milk products to Ghana through FrieslandCampina Nederland BV.

27 Subsequent events

Subsequent to the reporting date, the Board of Directors recommended a dividend of N7.02 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 2017 that have not adequately been provided for or disclosed in the financial statements.

Other national disclosures

Value added statement

for the year ended 31 December 2017

Other national disclosures

In thousands of naira	2017	%	2016	%
Revenue	140,076,525		123,749,286	
Brought in materials and services				
- Local	(16,159,317)		(29,624,178)	
- Imported	(96,732,404)		(64,104,197)	
	27,184,804		30,020,911	
Actuarial gain				
Finance Income	1,204,547		383,348	
Value added	28,389,351	100	30,404,259	100
Distribution of Value Added:				
To Government as:				
- Government as taxes	3,861,049	14	6,100,973	20
To Employees:				
- Employees as wages and salaries and end of service benefits	7,976,998	28	6,776,834	22
To Providers of Finance:				
- Finance costs	2,695,544	9	1,814,876	6
- Interim dividends	2,147,939	7	2,880,191	10
Retained in the business:				
- Depreciation of tangible assets	1,850,133	7	1,806,601	6
- Amortisation of intangible assets	9,247	-	42,758	-
- Proposed dividends	6,849,347	24	7,517,787	25
- To augment reserves	2,999,094	11	3,464,239	11
	28,389,351	100	30,404,259	100

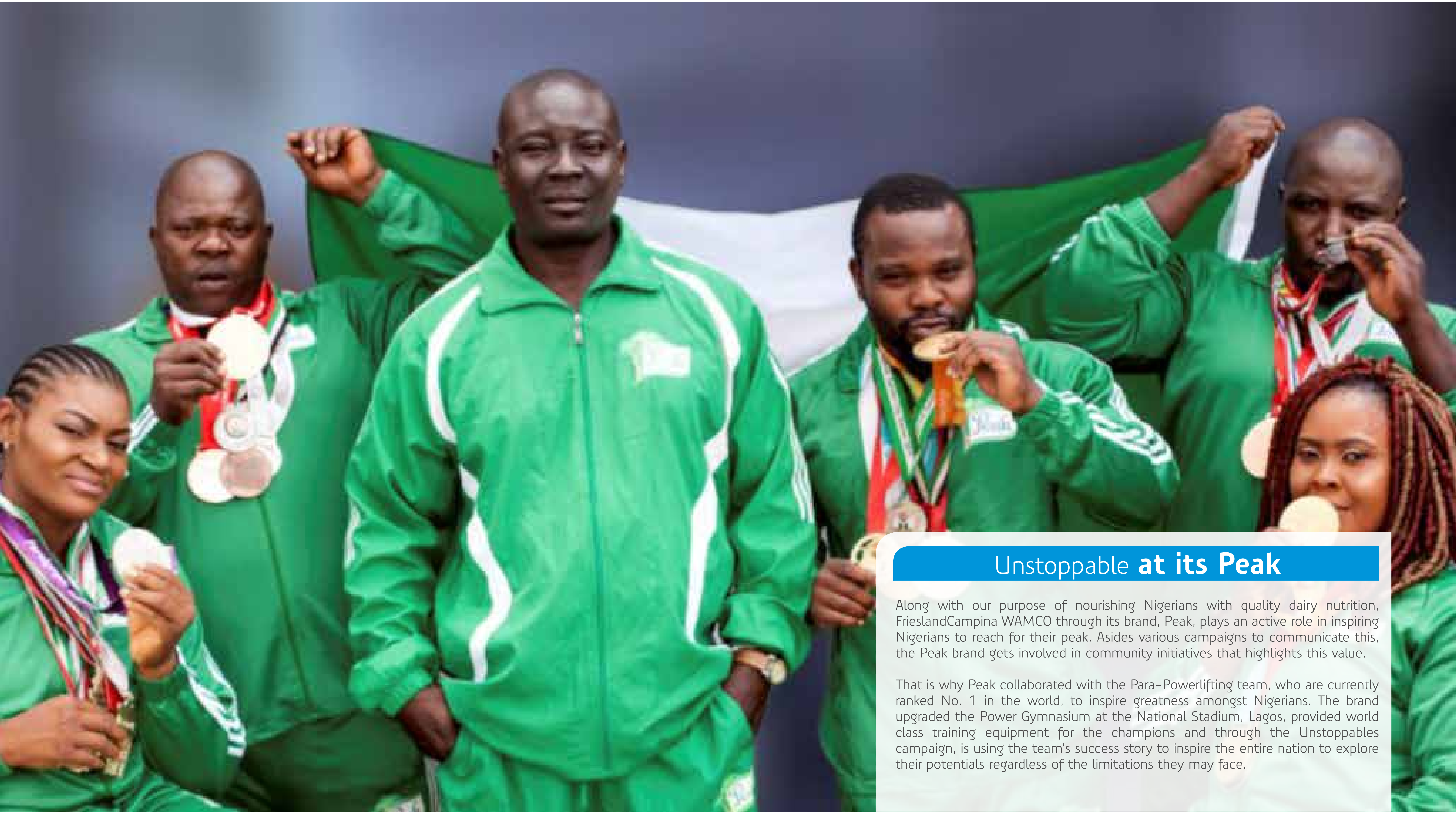
Financial summary

for the year ended 31 December 2017

Other national disclosures

In thousands of naira	2017	2016	2015	2014	2013
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	17,780,145	15,449,491	14,006,270	8,720,870	7,804,903
Shareholder's Fund	18,618,524	16,287,870	14,844,649	9,559,249	8,643,282
Current Liabilities	71,755,943	54,731,207	47,317,337	34,785,390	37,047,059
Non-current Liabilities	3,329,352	1,838,192	4,801,563	5,623,568	3,912,864
	93,703,819	72,857,269	66,963,549	49,968,207	49,603,205
Asset employed					
Non-Current assets	23,440,797	17,948,410	18,186,581	16,684,991	14,157,859
Current assets	70,263,022	54,908,859	48,776,968	33,283,216	35,445,346
	93,703,819	72,857,269	66,963,549	49,968,207	49,603,205

In thousands of naira	2017	2016	2015	2014	2013
Revenue	140,076,525	123,749,286	120,716,682	126,436,219	120,256,164
Profit before income tax	15,857,429	19,963,190	18,615,978	16,499,920	19,312,554
Profit for the year	11,996,380	13,862,217	13,346,803	10,731,278	13,069,521
Other comprehensive income, net of tax	-	-	32,421	(452,250)	63,836
Per ₦1 share data:					
Basic earnings per share	12.29	14.20	13.67	10.99	13.39



Unstoppable **at its Peak**

Along with our purpose of nourishing Nigerians with quality dairy nutrition, FrieslandCampina WAMCO through its brand, Peak, plays an active role in inspiring Nigerians to reach for their peak. Asides various campaigns to communicate this, the Peak brand gets involved in community initiatives that highlights this value.

That is why Peak collaborated with the Para-Powerlifting team, who are currently ranked No. 1 in the world, to inspire greatness amongst Nigerians. The brand upgraded the Power Gymnasium at the National Stadium, Lagos, provided world class training equipment for the champions and through the Unstoppables campaign, is using the team's success story to inspire the entire nation to explore their potentials regardless of the limitations they may face.

Leading with DDP

Commissioning of 5th milk collection centre at Saki

A 5th Milk Collection Center was commissioned in Saki, Oyo state. The plant has the capacity to hold 12,000 liters of raw milk daily and will serve about 500 new dairy farmers in the area, reducing the distance covered to deliver milk for bulking and will facilitate quality management before the milk is transported to the factory in Lagos. By this investment we have increased our daily milk collection capacity to 40,000 liters.

Farmer2Farmer programme

The Farmer2Farmer programme is a unique programme where certified dairy farmers from FrieslandCampina co-operative member farmers train and advice Nigerian farmers on best dairy farming practices to help develop local dairy farming skills. This visit of the Dutch farmers in November, was the first advisory mission to Nigeria of the Royal FrieslandCampina – Agriterra partnership.

During the mission, training, technical assistance and essential consultancy services were given to farmers and local extension workers that are engaged by FrieslandCampina WAMCO.

FMARD presents FrieslandCampina WAMCO with motorised milking machine

Federal Ministry of Agriculture and Rural Development presented FrieslandCampina WAMCO with a portable motorised milking machine with the capacity to milk 50 cows a day. The presentation was part of FMARD's commitment to public-private partnerships in improving dairy farming as well as to recognize FrieslandCampina WAMCO as the biggest investor in local milk production in Nigeria.

First International Dairy Summit in Nigeria

The company sponsored the first ever dairy farming summit in Nigeria themed - Dairy Farming: A New Dawn in Nigeria Agricultural sector and the Way Forward, The summit was organized by The Netherlands Alumni Association of Practical Training Centre (PTC) Nigeria Chapter in conjunction with DairyChain.

Grant Agreement

Under the Memorandum of Understanding signed by FrieslandCampinaWAMCO, Sahel Capital Partners & Advisory and Oyo State government to collaborate on the Nigeria Dairy Development Programme (NDDP), a grant agreement was signed detailing each stakeholder's responsibility toward the MoU with the objective of strengthening further, the Dairy Transformation Agenda.

Dairy Farmers' Day celebration

FrieslandCampina WAMCO held Nigeria's first Dairy Farmers' Day in December. The day was instituted to recognise and reward dairy farmers; bringing together stakeholders from the public, private and academic sectors to develop and drive a long term inclusive national plan for the dairy sector in Nigeria. The maiden event featured exhibitions by key players in the sector and included simulations of good dairy farming practices and panel discussions to steer the present state and the future of dairy farming in Nigeria.

Dutch Nigerian students' business challenge

The Dutch-Nigerian Student Business Challenge is an innovative business case competition where 12 Dutch and 12 Nigerian students work together on sustainable entrepreneurial solutions for real-life challenges in Nigeria's energy, health or water-food sector. Sponsored mainly by corporations of Dutch origin, the Dutch government in partnership with University of Technology at Delft and Passion Incubator, a team of four students assigned to FrieslandCampina WAMCO challenge explored using technology and other means to improve the livelihood and business of local dairy pastoralists.

Solar powered boreholes

In conjunction with Sahel Capital Partners & Advisory, ten solar boreholes were constructed and installed in Fasola and Saki clusters (five locations each) with the objective of providing farmers with better access to potable water that supports their health and improved hygienic raw milk handling.

Visit of the Minister of Agriculture to DDP Communities

The Minister of Agriculture, Federal Ministry of Agriculture and Rural Development, Chief Audu Ogbeh, visited two DDP communities: Fasola and Iseyin, Oyo State in the year under review. During his visit, the Minister commended FrieslandCampina WAMCO for pioneering local milk sourcing and development, and for its investment in the DDP which has guaranteed steady incomes for the pastoralists.

The Minister affirmed government's continued partnership to ensure the DDP succeeds.

Kebbi State explores collaboration on DDP

Governor of Kebbi State, His Excellency, Senator Abubakar Atiku Bagudu, paid a visit to FrieslandCampina WAMCO to explore the potential for livestock breeding, local milk sourcing and development to boost revenue drive in Kebbi State and the livelihood of its farmers. A team of 50 pastoralists from Kebbi state visited the Milk Collection Center at Fashola, Oyo State, for experiential learning.

Inspiring with SHEQ

5 years without Lost Time Accident

FrieslandCampina WAMCO is committed to ensuring a safe environment for its employees, contractors and visitors who work onsite through our demonstration of safe work practices.

In December of the year under review, we celebrated 365 days without Lost Time Accident (LTA), achieving 1825 LTA-free days (5 years) as at December 12, 2017.

This remarkable milestone was achieved through passion for safety, transparency in reporting incidents, learning from investigation outcomes and integrated team contributions.

Leading with a proactive safety culture 3.0

FrieslandCampina WAMCO successfully achieved the score of 3.0 in the 2017 FoQus SHE Audit. By this, we became the first Business Group within the Operating Companies to attain a score of 3.0. This result means that we have moved our Safety Culture from a reactive level to a proactive level where safety leadership and values drive continuous improvement.

Energy & water sustainability improvement

Conserving energy and water is high priority for the business. To ensure effective use of these resources, our Utility team consistently monitors its operations with a mind-set of reducing our energy and water footprint.

We believe this effort contributes to sustainable business operations.

Golden Quality Rules

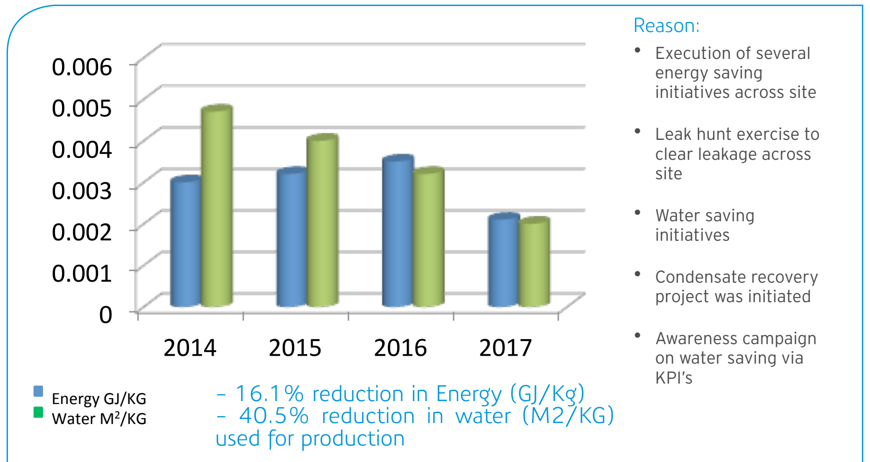
Golden Quality Rules is a global FrieslandCampina programme that aims to strengthen our Food Safety & Quality systems, minimize risks and ensure that we continue to build quality into every step of the process and across the value chain.

This reinforces our integrity to provide safe, high quality dairy products that meet or exceed consumer needs and expectations.

The Golden Quality Rules were launched as part of the SHEQ day themed – Lead with Safety, Inspire with Quality, which featured interactive sessions with consumers to reaffirm our commitment to ensuring safe and quality products. A session was also held for Key Business Partners (KBP) to communicate warehouse best practices and product handling improvement areas.

Mobile laboratory installed to support 3-in-1 operator programme

A mobile laboratory was successfully installed in the condensed plant to enhance the 3-in-1 operator programme. This initiative from the quality department aims to ensure zero downtime, drive operators' quality ownership and align with the golden quality rules to encourage a qualified and engaged workforce, requiring operators to carry out routine analysis and perform basic quality checks on the line.



Capacity expansion: spending on big rocks

In 2017, several CAPEX projects were successfully delivered in the Condensed Plant. These include installation and commissioning of Tray Packing Machine (DIMAC 2) in EVAP factory, Lids inspection machine in CAN factory, and enhancement of packaging machine layout to improve process and product flow, materials handling and better communication among machine operators. We also constructed one Milk Collection Centre in Saki, for the DDP programme in support of our grass to glass philosophy.

In the Powder Plant, we installed two high speed sachet filling machines with improved technology, as well as a dust extractor system. The filling machines have increased our sachet producing capacity while the dust extractor enhances the safety of our system by minimizing the risk of dust explosion while facilitating compliance to international regulation on ATEX.

To increase energy efficiency, new headers were fabricated for steam and air distributions across Evap factory to enable sectional isolation of utilities during maintenance. A new fire hydrant pump station was commissioned to increase areas of fire hydrant coverage.

Sterilizer 4 commissioned for Commercial Production

The first commercial production from Sterilizer 4 was realized on November 6 after the fire incident of January 6 which damaged the sterilizing area.

According to Ben Langat, Managing Director, "what was inspiring throughout this project is the speed of delivery and the ownership mindset displayed across board to ensure the project is delivered on time in full."

Board of Directors visit to the Condensed Plant to inspect the newly installed sterilizers and conveyors following its commission after the fire incident in January 2017.

Involving communities through the goodness of milk

Reinforcing the campaign on improved nutrition and active lifestyle

In Nigeria, the average milk consumption is still very low. As dairy experts, we understand the role of milk in improving the physical and mental function as well as school performance of students. Therefore, year on year, FrieslandCampina WAMCO takes the goodness of milk campaign to public schools on its school adoption programmed.

This year's activity themed "Stronger Body, Sharper Mind,"encourged healthy nutrition alongside an active lifestyle. Through the donation of table tennis to the schools, we demonstrated the need to be involved in daily physical activity whilst promoting the importance of milk in supporting a balanced nutrition, physical growth and mental development.

Support to Benue flood victims

The flash floods in Benue state affected more than 100,000 people across 21 local government area in the state. In collaboration with the Benue State Chapter of Nigerian Red Cross Society, our employees conducted a successful donation to families affected by the flood in Benue state. Through this, a total of 100 families and 100 school children received cooking ware and back-to-school supplies, respectively. This was sequel to our initial provision of 1,500 cartons of Peak evaporated milk to displaced flood victims through the Office of Social Investment of Benue State Government.

Nourishing research on nutrition

FrieslandCampina WAMCO understands that the future of nutrition lies in building the right research capacity for the nation. Hence, we place emphasis on nurturing undergraduates with the required skill-set and knowledge essential to shape the right approach to nutrition research.

In 2017, we partnered with University of Ibadan to host a nutrition workshop for nutrition scientists, researchers and postgraduate students from the College of Medicine with the aim to boost academic and professional research in ways that will improve human nutrition delivery in the country, and strengthen capacity and competencies.

The workshop provided a platform for discussing opportunities, challenges and key research gaps Nigerian researchers face vis-à-vis global practice.

Similarly, FrieslandCampina WAMCO rewarded eight young Nigerian nutritionists for their excellent scientific research presentations at the 47th Annual General Meeting and Scientific Conference of the Nutrition Society of Nigeria co-sponsored by our Company.

Strengthening Dairy Science Education

FrieslandCampina WAMCO is taking the lead in establishing the required structures and incentives that enables the growth and development of local dairy farming.

Through the Tertiary Endowment initiative, we joined students and faculty heads of University of Uyo and University of Ibadan, in an all-expense paid academic trip to the Dairy Development sites in Oyo state. The team was guided by the Dairy Extension Manager who provided insight and understanding into best practice in animal care and the raw milk value chain to inform research interests and career aspirations of the scholars.

Orphanage fix-up at Adonai Orphanage & Widow Centre

In line with our mission of nourishing Nigerians with quality dairy nutrition, we have continued to play an active role in supporting deserving organisations through sponsorships and donation of our dairy products, especially where the well-being, health and nutrition of children are concerned.

Home to 45 children, Adonai Orphanage & Widow Centre, Barnawa, Kaduna State was the beneficiary of the 2017 orphanage fix-up where we renovated their orphanage and donated food and other household equipment.

Through initiatives such as this, FrieslandCampina WAMCO and its employees reaffirm their commitment to enhancing her community.

FCWAMCO employees receiving the award for Beverages Manufacturing Company of the Year (Milk Products) on behalf of the Company at the maiden edition of the Guardian Manufacturing Excellence Award.

Winning in the workplace

Fostering leadership behaviours

FrieslandCampina WAMCO is committed to investing in its employees, by offering excellent career opportunities, continuous development and a conductive work environment. We are committed to equal opportunities at all levels of our business, both at recruitment stage and through opportunities for development and promotion.

Our company prides itself on being an employer of choice focused on nurturing capable business leaders and a performance oriented organizational culture that emphasize both intrinsic and extrinsic factors.

To achieve this, we put in place leadership coaching programme that leverage Insights Discovery Personality Profiles and Learning Systems, whereby coachees are guided in developing a deeper awareness of their psychological preferences, behaviors, leadership styles, strengths, blind spots and how these impact their work relationships and their leadership effectiveness.

They are also encouraged to showcase this leadership behavior in the larger community.

Opportunities at FrieslandCampina

FrieslandCampina Academy enables FrieslandCampina to unleash talent as an accelerator for achieving business results. In 2017, some of our employees were identified to participate in the Future Leaders Programme, Fast Forward and Learn To Grow Programme, which enables them to grow within the global company and develop into the next class of high potential leaders within the organisation. Also, some employees have been placed on either short term or long term assignments in FrieslandCampina operating companies across the world.

Our company prides itself on being an employer of choice focused on nurturing capable business leaders

Engagement beyond Employees

Employee engagement also extends beyond employees to their family members. In continuation of our support towards educational excellence for the younger generation, the Peak LFI Achievers Award is presented to employees' children who have shown commendable excellence in their examinations. For 2017, there were a total of 18 Peak LFI Achievers Award recipients who were recognised for their outstanding achievements in their examinations.

FrieslandCampina WAMCO received the following awards in recognition of its outstanding employee brand value proposition:

- HR optimisation award for Best strategic HR/ Business Development Initiative at the CIPM HR Best Practice Awards.
- Best Employer Brand Award at the 4th edition of the Africa Best Employer Brand Awards.

Recognition

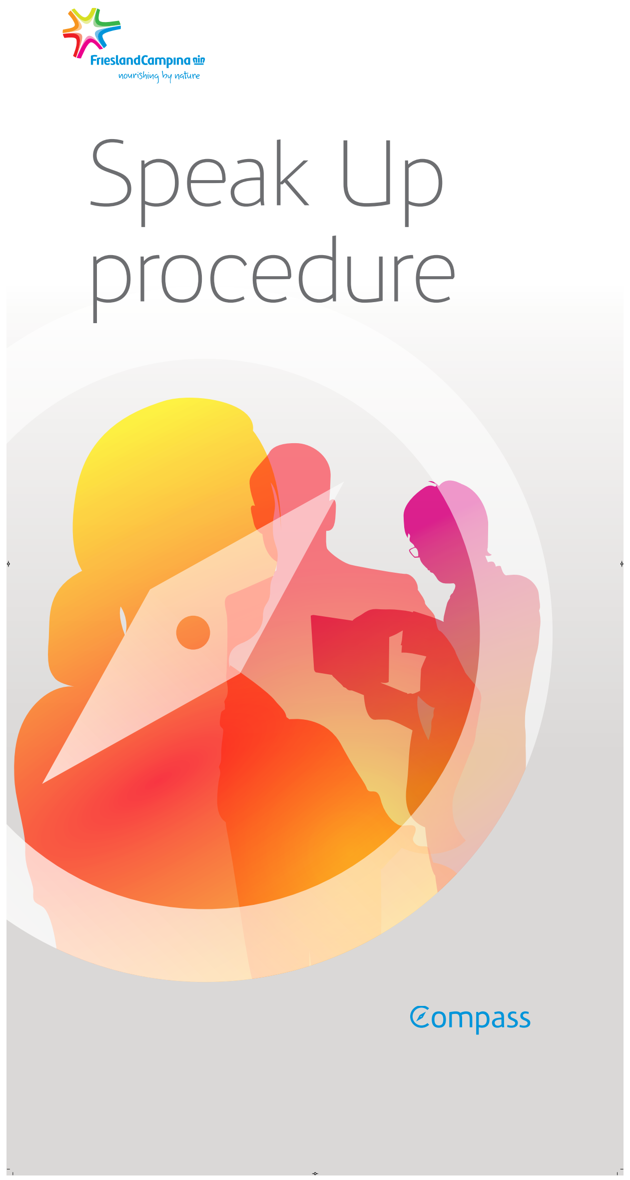
Also, we seek to motivate employees to succeed by creating various reward platforms to recognise key business achievements and behaviours.

A few of such platforms include: MD's Award, 'Triple A' award, Best Sales Region/ Billionaires Club and Best Medical Detailing team of the year award.

This year, the winning teams embarked on an educational trip to the Netherlands in the second quarter of 2017. For the teams, the educational trip reiterated FrieslandCampina' s ownership of its process from grass to glass and its quality assurance guided by FoQus. The company will continue to support initiatives that drive passion and excellence for its employees.

Celebration of World Health Day themed "Depression - lets talk". Employees walk to create awareness around mental health.

On the right track with our Compass



Our employees are contractually bound to our Compass which is our code for good business conduct, because it is the foundation of our excellent reputation, our story and our future success. In the year under review, the Company commenced a communication campaign with the goal of increasing awareness about the Compass and encourage employees, both full-time and Agency to seek to know, understand and follow its guiding principles.

Companywide engagement sessions on Compass and its corresponding policies (which include the Speak-Up Procedure, Doing Honest Business and Fair Competition Policies) were facilitated by the Management team. The sessions covered the '14 Umbrella topics' under Compass and the 'Speak Up procedure'. Key principles of Compass and possible dilemmas were shared and discussed to explain the expected steps to take if faced with such situations. This is to ensure that all employees across board fully understand that our success depends on the behaviour of each one of us; by demonstrating integrity, respect and transparency in all our business dealings.

In line with this, the Company's suppliers and vendors are also required to sign the FrieslandCampina Suppliers' Business Practices when on boarding as a provider of goods and/or services.

Speak Up

Employees are encouraged to report any malpractices without fear or favour with the establishment of the Speak-Up procedure which allows an employee to address any concerns regarding non-compliance with Compass to the Company's local trusted representatives or an external contact at the FrieslandCampina corporate office in the Netherlands or the Speak Up telephone channels, for those that want to remain anonymous.

"Everyone has a Peak"

In achieving our mission to nourish Nigerian with quality dairy nutrition, the Peak brand introduced a filled milk variant in 14g powder sachet and evaporated milk in 160g tin.

This offering was promoted with the campaign line – Everyone has a Peak.

"Everyone has a Peak" educates and enlightens consumers on the new Peak variant – The Peak Filled Milk, which is low in cholesterol and has 28 vitamins and minerals, like the Peak Full Cream Milk.

Since its launch, the reception has been very impressive, with growing media impressions that are steadily delivering on core campaign objectives.

Employees storm lagos market to introduce the new Peak filled milk

For the first time, employees stormed four markets across Lagos, including: Oke-Arin, Trade fair, Mushin and Agege market to engage retailers and shoppers on the new Peak Filled Milk. Retailers were also activated via a visibility contest (with 83% of outlets reached).

KBP Investiture

2017 Key Business Partner (KBP) Investiture held at three states across the country. The investiture which included an award night celebrated our key business partners for their invaluable contribution to the business.

The event was also an opportunity to induct the new KBPs on our way of working.

As part of the distributor development drive, training was conducted for the KBPs and their operations managers to re-emphasise our mission, business values, operating procedures and foster alignment of business interests.

No dream is beyond your reach

The Unstoppables: Nourishing Nigeria's unsung heroes

Over the years, the tagline "Reach for your Peak" has been the guiding message of our campaigns. This was further driven by the launch of The Unstoppable campaign in celebration of the unrelenting mindset of the Nigerian Para-Power Lifting team. These athletes to date remain the most decorated athletes in Nigeria, consistently confronting their challenges and pushing themselves to become world champions.

Peak embarked on a shared value campaign to recognize these champions for their achievements and drive to reach for their peak. The brand commenced with a nutritional involvement of a monthly supply of milk. As a follow-up to this, a television commercial (TVC) was created and launched in July 2017 to celebrate the athletes and tell their stories to motivate Nigerians. The final cap to this campaign was the renovation and equipping of the Para-Power Lifting gym at the National Stadium, Lagos.

The Unstoppable campaign has recorded over 15 million total impressions on Facebook, over 380,000 views on YouTube, over 600,000 reactions on the online print media. It won a silver plaque at the Lagos Advertising and Ideas Festival (LAIF) awards held in December 2017.

Before

After

Peak Heritage

Over the past 60 years, Peak has continued to be strong in spite the several changes experienced in the dairy market. To therefore reinforce its leadership position and connect emotionally with Nigerians, sharing the Peak story became expedient. A story of how Peak has been part of our lives for over 60 years and counting. A story of how Peak has been nourishing Nigerians with quality dairy products.

In August 2017, Peak re-launched the Heritage Campaign with the theme 'Building stronger families since 1954'. This theme underscores the very essence of the Peak brand. The campaign's objectives amplified the brand's distinctiveness, building relevant associations and memory structure.

World Milk Day with Pecadomo

For Peak, World Milk Day presents an opportunity to enlighten Nigerians, especially the younger generation on the health benefits of milk; educate them on the versatility of milk using Pecadomo as a platform and ultimately drive a new culture of cooking with milk in Nigerian homes.

To celebrate World Milk Day, Peak held the Pecadomo Nutrition contest. 200 schools were reached and over 4000 students engaged. Whitefield High School, Mazamaza came in first place, winning the sum of five hundred thousand Naira towards renovations and educational materials for their school.

Asides engaging the students, FrieslandCampina WAMCO, for the first time celebrated World Milk Day with healthcare professionals who are key influencers of nutritional choices of consumers. We believe that this multi-sectoral approach will help promote the daily intake of milk as part of essential nutrients required for proper growth and development.

Internally. we celebrated World Milk Day with employees with the theme "Strong through the day with Milk." We joined the global company, alongwith member farmers and consumers, to create a fun video – "Pass the Glass", where we showcased a continuous movement of a glass of milk (from one consumer to another) around the world!

Pecadomo Chef in You

Pecadomo Chef in You was a major engagement touch point in the year under review. Peak engaged Nigerian celebrities to drive the versatility of Peak milk through engaging videos of them cooking for the Mother figure in their lives. This campaign had over 38million impressions on social media.

Healthy eating and active lifestyle with Peak 456

Peak 456 Growing Up Milk partnered with the Nutrition Society of Nigeria on the pilot of its Drink Move Be Strong school programme, to engage children aged four to six years old on the importance of healthy eating and living an active lifestyle. This aims to drive a habit change in these two key areas.

The pilot included a workshop to equip teachers with the required knowledge and teaching aids to address the challenges around the objective, using a two pronged approach – nutrition education and exercise moves that involve the children.

Peak 456 rewards amazing talents with scholarships

In an effort to promote this objective, The Peak 456 Talent Hunt contest was birthed as an initiative to encourage parents and guardians to nurture their children's full potential by recognizing and developing them from their early years.

The winners of the competition, who were selected though a voting process on the brand's social media page, were awarded educational scholarships.

Peak 456 Growing Up Milk will continue to support children's growth and development in various ways by providing specialized nutrition tailored to support their growing up needs. The brand will continue to highlight the need for parents to support continuous growth and development of their children by ensuring their children receive the right nutrients from their early years.

Satisfying the hero in every Child

In the year under review, the cocoa based beverage market continued to grow in-spite of the economic decline. This can be attributed to ease of preparation and the wholesome nutritional value it offers consumers. To capture this wave of growth, we relaunch Peak Chocolate with a more appealing and exciting look, driving levers of fun and adventure across all relaunch touch points. We targeted kids from ages 4-12years with a campaign tagged 'Satisfy the hero in you' – a campaign that captured the very essence of kids imagination, to support their believe that hey can be anything they want to be.

Leveraging on the equity of Peak, we closed the year at +67% vs PY, growing penetration by +9% over its category.

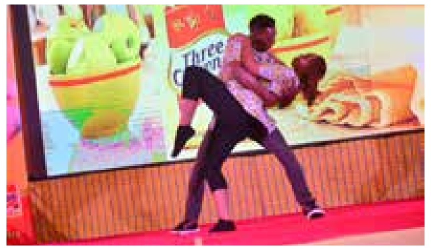
We went a step ahead to launch the first indigenous animation series called 'Adventures of Lola and Chuchu' on digital, local and satellite TV. Lola and Chuchu represent everyday kids who exhibit an undying mission to save the planet, extend a helping hand, restore peace and destroy detractors - as they channel their inner strengths and good hearts to become lovable heroes in their immediate community.

Peak Chocolate is positioned as the 3-in-1 chocolate drink made from real cocoa, the goodness of Peak milk and the right amount of sugar

Three Crowns marks annual 'Mum of the Year' campaign with consumers

In line with our commitment to promote healthy nutrition and active lifestyle, Three Crowns held for the third year the "Mum of the Year" competition, aimed at celebrating mums who are fit and healthy. This year's competition was fierce, intense, tough and fun all the way.

At the end, the coolest, smartest and fittest of competing mums, Mrs. Oluwakemi Longe, was pronounced the winner. As the Three Crowns Mum of the Year, Mrs. Longe won an all-expense paid trip to Dubai with 3 members of her family plus a year's supply of milk.



Get fit with Three Crowns

In 2017, Season 2 of the Three Crowns Fitness Challenge focused on promoting a healthy lifestyle by encouraging people to get active and work out with whatever they could lay their hands on. This campaign was lauded with numerous accolades and prestigious international awards for its ground breaking commercials and overall campaign integration.

Find more information on this on:
facebook.com/ThreeCrownsMilk/;
twitter.com/3CrownsMilk and
instagram.com/3crownsmilk/

Three Crowns fitness challenge at Eket, Uyo, Akwa-Ibom

FrieslandCampina WAMCO Nigeria PLC

Proxy form

45th Annual General Meeting to be held at the Shell Hall, Muson Center, 8/9, Marina, Onikan, Lagos, on Thursday, 17 May, 2018 at 11.00 a.m.

I /We*...

....

being a member/members of FrieslandCampina WAMCO Nigeria PLC

hereby appoint** ....

....

of ....
or failing him the Chairman of the Meeting 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 17 May, 2018 and at any adjournment thereof.

Dated this............day of.....................2018.

Signature...
*Delete as necessary

No. of Shares			
Resolutions	**For**	**Against**	**Withheld**
To declare a final Dividend			
To re-elect as Director, Mr. Jacobs Moyo Ajekigbe			
To re-elect as Director, Mr. Robert Steetskamp			
To elect as Director, Engr. Mustafa Bello			
To authorise the Directors to fix the remuneration of the Auditors			
To elect members of the Audit Committee			
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:
i. 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.

FrieslandCampina WAMCO Nigeria PLC

Admission slip

45th Annual General Meeting to be held at the Shell Hall, Muson Center, 8/9, Marina, Onikan, Lagos, on Thursday, 17 May, 2018 at 11.00 a.m.

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.

Corporate directory

Head office

FrieslandCampina WAMCO Nigeria PLC
Plot 7b Acme Road
Ogba Industrial Estate
P.M.B 21319, Ikeja
Lagos
Tel: + 234 (01) 271 5100
info.wamco@frieslandcampina.com
www.frieslandcampina.com.ng

Lagos sales office

FrieslandCampina WAMCO Nigeria PLC
Plot 7b Acme Road
Ogba Industrial Estate
Ikeja
Lagos State

Ogun sales office

2nd Floor, 167 Idiroko Road
(Rainbow Towers Complex)
Opp. Ansarul-Deen Jnr. Sec. Sch
Ota, Ogun State

Ibadan regional office

Premium House,
1st Floor
Opposite Hebn/Evans Publishers
Magazine Road
Jericho Ibadan

Aba regional office

c/o CFAO (Nig.) PLC
4 Factory Road
Aba
Abia State

Asaba regional office

Km 5 Benin / Asaba Expressway
Behind Oblinks Filling Station
Asaba
Delta State

Abuja regional office

Plot 634, Durumi District Area 1
By Gwagwalada Motor Park
Abuja
Federal Capital Territory

Kano regional office

c/o Albawa International Investment Ltd
Bida Road (by Visafone)
Off Post Office Road
Kano
Kano State

Jos regional office

No. 3, Old Airport Road
Nasco Fibre Compound
Opposite Rochas Foundation
Jos
Plateau State

Sokoto regional office

1E, Abdullahi Fodio road
Minanata, Sokoto
Sokoto State

Kaduna regional office

1st Floor, EK House,
5D, Kanta Road,
(By Command Behind Turaki Ali House)
Kanta
Kaduna State

Port Harcourt regional office

Zuma Suites D/Line,
No. 29 / 30 Kaduna Street
Port-Harcourt
Rivers State

Gombe regional office

Adamu Fura House
(Adjacent to ECO Bank)
BIU Road,
Gombe State

Affix Current Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

E-DIVIDEND

FirstRegistrars & INVESTOR SERVICES

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	

First Registrars & Investor Services Limited
...connecting you to your wealth.
website:www.firstregistrarsnigeria.com; E-mail: info@firstregistrarsnigeria.com

1. Complete, sign and date the form
2. Fill out all compulsory(*) fields
3 Fill in CAPITAL LETTER

E-PRODUCTS

FirstRegistrars & INVESTOR SERVICES

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.

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	AFRICAN PAINTS PLC	
	ANCHOR FUND	
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	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
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	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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