



Food and Agro-Allied Group



**Northern Nigeria Flour Mills Plc**

**Annual report**

**for the year ended 31 March 2026**

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

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# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Corporate Information

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**Country of incorporation and domiciliation** Nigeria

**Nature of business and principal activities** The Company's main business is milling of wheat, sorghum, maize and similar grains.

**Directors**

Alhaji Rabiu Mohammed Gwarzo, OON	(Chairman)	
Mr. John G . Coumantaros (American)	(Vice Chairman)	
Alhaji Sani Umar	(Non- executive)	
Mr. Paul M. Gbededo	(Non- executive)	(Resigned on 25-Sep-2025)
Alhaji Y. Olalekan A. Saliu	(Non- executive)	(Resigned on 25-Sep-2025)
Mallam Abdul Ganiyu Sani	(Non- executive)	
Alhaji Sadiq Usman	(Non- executive)	
Mr. Adrian Naidoo	(Managing Director)	
Mr. Omoboyede O. Olusanya	(Non- executive)	
Alhaji Auwalu Muktari	(Non- executive)	
Mr. Joseph Umolu	(Non- executive)	
Mr. Devlin Hainsworth	(Non- executive)	(Appointed on 25-Sep-2025)
Mr. Nassib Raffoul	(Non- executive)	(Appointed on 25-Sep-2025)
Hajia Batulu M Koguna	(Non- executive)	(Appointed on 08-Jan-2026)

**Company registration number** RC. 9409

**Tax identification number** 00845598-0001

**FRC Number:** FRC/2013/00000001848

**Registered office** 15 Maimalari Road,  
Bompai Industrial Estate,  
Kano.

**Postal address** P.O. Box 6640  
Kano

**Holding company** Golden Penny Foods Limited (formerly Flour Mills of Nigeria Plc.)  
Incorporated in Nigeria

**Bankers** Access Bank Plc  
First Bank of Nigeria Limited  
Guaranty Trust Bank Limited  
Sterling Bank Limited  
Union Bank of Nigeria Plc  
Zenith Bank Plc

**Independent Joint Auditors** KPMG Professional Services  
KPMG Tower  
Bishop Aboyade Cole Street, Victoria Island, Lagos State

Ahmed Zakari & Co.  
Chartered Accountants  
5th Floor African Alliance Building  
F.1 Sani Abacha Way, P.O Box 6500, Kano

**Company secretary** Theophilus Ogwuche  
26, Post Office Road, Kano

**Solicitor** Messrs J. B. Majiyagbe & Co.  
4, Human Rights Avenue P.O. Box 726, Kano.

# Northern Nigeria Flour Mills Plc

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## Report of the Directors

The directors have pleasure in submitting their report on the annual report of Northern Nigeria Flour Mills Plc for the period ended 31 March 2026.

### 1. Legal form

The Company was incorporated as a private Limited Liability Company on 29 October 1971. Its registered office is 15, Maimalari road, Bompai Industrial Estate, Kano. The Company was converted to a public limited liability company in 1978 and its shares are quoted on the Nigerian Stock Exchange. It is a subsidiary of Golden Penny Foods Limited (formerly Flour Mills of Nigeria Plc) which holds 59.6% of the Company's equity. Golden Penny Foods Limited is incorporated in Nigeria.

### 2. Principal activities

Northern Nigeria Flour Mills Plc was incorporated in Nigeria with interests in milling of wheat, maize and sorghum. The Company operates in Kano State, Nigeria. There have been no material changes to the nature of the Company's business from the prior year.

### 3. Results

The summary of results for the year is as set out below:

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	<u>₦'000</u>	<u>₦'000</u>
Revenue	21,547,326	35,392,448
Operating profit	329,711	2,887,076
Profit before taxation	112,758	2,887,061
Profit for the year	25,604	1,745,076
Total comprehensive income for the year	2,493,133	1,704,727

### 4. Dividend

The Directors did not recommend any dividend during the year (2025: N44.55million representing a dividend of N0.25 per ordinary share of 50 kobo each).

### 5. Directors and directors' interests

The names of Directors who are currently in office are detailed on page 2. The directors who served during the year are as follows:

<b>Directors</b>	<b>Nationality</b>	<b>Designation</b>
Alhaji Rabiu Mohammed Gwarzo, OON	Nigerian	Chairman
Mr. John G . Coumantaros	American	Vice Chairman
Alhaji Sani Umar	Nigerian	Non- executive
Mr. Paul M. Gbededo	Nigerian	Non- executive
Alhaji Y. Olalekan A. Saliu	Nigerian	Non- executive
Mallam Abdul Ganiyu Sani	Nigerian	Non- executive
Alhaji Sadiq Usman	Nigerian	Non- executive
Mr. Adrian Naidoo	South African	Managing Director
Mr. Omoboyede O. Olusanya	Nigerian	Non- executive
Alhaji Auwalu Muktari	Nigerian	Non- executive
Mr. Joseph Umolu	Nigerian	Non- executive
Mr. Devlin Hainsworth	English	Non- executive
Mr. Nassib Raffoul	Nigerian	Non- executive
Hajia Batulu M Koguna	Nigerian	Non- executive

# Northern Nigeria Flour Mills Plc

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## Report of the Directors

In accordance with section 303 of the Companies and Allied Matters Act, 2020 (CAMA), none of the Directors has notified the Company of any declarable interests in contracts with the Company during the year.

### 6. Directors' interest in shares

The Directors' interests in the issued share capital of the Company as recorded in the Registrar of members and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act, 2020 (CAMA) and disclosed in accordance with Section 385 also of CAMA are as follows:

#### Interest in shares

Director	31-Mar-26		31-Mar-25	
	Direct	Indirect	Direct	Indirect
Alhaji Rabiuh Mohammed Gwarzo, OON	609,598	-	609,598	-
Mr. John G . Coumantaros	-	-	-	-
Alhaji Sani Umar	217,563	-	237,363	-
Mr. Paul M. Gbededo	-	-	-	-
Alhaji Y. Olalekan A. Saliu	-	-	97,881	-
Mallam Abdul Ganiyu Sani	-	-	-	-
Alhaji Sadiq Usman	-	-	-	-
Mr. Adrian Naidoo	-	-	-	-
Mr. Omoboyede O. Olusanya	-	-	-	-
Alhaji Auwalu Muktari	-	-	-	-
Mr. Joseph Umolu	-	-	-	-
Mr. Devlin Hainsworth	-	-	-	-
Mr. Nassib Raffoul	-	-	-	-
Hajia Batulu M Koguna	-	-	-	-
	<b>827,161</b>	<b>-</b>	<b>944,842</b>	<b>-</b>

### 7. Shareholding analysis

The shareholding structure of the Company as at 31 March 2026 is as stated below:

#### 31-Mar-26

Share range	No of Holders	% of Holders	No of Holdings
1 - 1,000	4,672	63.81	1,272,975
1,001 - 5,000	1,688	23.05	3,873,046
5,001 - 10,000	382	5.22	2,812,325
10,001 - 50,000	431	5.89	9,320,128
50,001 - 100,000	68	0.93	4,755,877
100,001 - 500,000	60	0.82	13,101,934
500,001 - 1,000,000	11	0.15	8,073,022
1,000,001 and above	10	0.13	134,990,693
<b>Total</b>	<b>7,322</b>	<b>100.00</b>	<b>178,200,000</b>

# Northern Nigeria Flour Mills Plc

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## Report of the Directors

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31-Mar-25

Share range	No of Holders	% of Holders	No of Holdings
1 - 1,000	2,555	51.97	892,984
1,001 - 5,000	1,462	29.74	3,411,435
5,001 - 10,000	354	7.20	2,579,902
10,001 - 50,000	401	8.16	8,604,737
50,001 - 100,000	67	1.36	4,742,555
100,001 - 500,000	55	1.12	11,150,150
500,001 - 1,000,000	9	0.18	5,581,134
1,000,001 and above	13	0.27	141,237,103
<b>Total</b>	<b>4,916</b>	<b>100.00</b>	<b>178,200,000</b>

### 8. Parent company

The Company's holding company is Golden Penny Foods Limited which holds 59.6% (2025: 59.6%) of the Company's equity. Golden Penny Foods Limited is incorporated in Nigeria. The ultimate controlling parent is Excelsior Africa Investments Limited (formerly Excelsior Shipping Company Limited), a company registered in Cyprus. The beneficial owner of Excelsior Shipping Company is a trust established by the late John S. Coumantaros.

### 9. Substantial interest in shares

According to the Registrar of Members, the following shareholders of the Company held more than 5% of the issued share capital of the Company.

	31-Mar-26		31-Mar-25	
	Number of shares	%	Number of shares	%
Golden Penny Foods Limited	106,206,273	59.60	106,206,273	59.60
GTB PLC/Northern Nigeria Investment Limited	12,955,000	7.27	12,955,000	7.27

### 10. Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, 2020 (CAMA) and the Financial Reporting Council of Nigeria Act, 2011 (as amended). In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting standards are complied with;
- suitable accounting policies are adopted and consistently applied;
- judgements and estimates made are reasonable;
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and also prevent and detect fraud and other irregularities.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Report of the Directors

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### 11. Donations and charitable gifts

No donation was made to any political party or organisation during the year (2025: Nil).

There are no donations and charitable gifts made during the year (2025: N4.05 million). See analysis below:

#### Donations

	31-Mar-26	31-Mar-25
	N'000	N'000
National Union of Food, Beverage and Tobacco Employees	-	610
Dakata Primary Health Care Hospital Kano	-	1,290
Standard Organisation of Nigeria	-	300
Food, Beverage and Tobacco Senior Staff Association	-	1,400
Women In Da'Awah (Wid) Organisation	-	250
Kano Network For Justice And Human Development	-	200
	<u>-</u>	<u>4,050</u>

### 12. Property, plant and equipment

Movement in property, plant and equipment during the year is shown in Note 14 to the financial statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the audited financial statements.

### 13. Human capital

#### (a) Employment and Employees

The Company reviews its employment policy in line with the needs of the business. Careful recruiting is undertaken to ensure that potential high performers are attracted and retained.

#### (b) Employee Developments

Local training and development programmes are organised to meet the needs of the Company's modernisation / automation strategy implementation.

The Company continues to place premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

#### (c) Equal Employment Opportunity and Diversity

The Company has a policy of providing, wherever possible, the same employment opportunities for disabled people as for others. If employees become disabled every effort is made to ensure their employment continues, with appropriate training where necessary.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Report of the Directors

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Subject to applicable laws, we recruit, hire, train, promote, discipline and provide other conditions of employment without regard to a person's race, colour, religion, sex, age, national origin, disability or other classifications protected under the law. This includes providing reasonable accommodation for members' disabilities and due consideration for religious beliefs and practices. As at year end, the Company had no physically challenged person in its employment (2025: Nil).

### (d) Health, Safety and Environment

The Company appreciates the value of a safe work environment to business success and therefore embarks on periodic assessments to ensure compliance and safety. Employees are continuously sensitised and pep talks on safe work procedures precede the commencement of each shift in the operational areas. The Company provides Personal Protective Equipment to employees as required by the nature of their jobs and safety officers perform regular monitoring to ensure usage compliance.

### (e) HIV/AIDS Policy

HIV/AIDS policy guidelines are in place and employees are encouraged to undertake voluntary counselling and testing (VCT) in order to confirm their HIV status. Continuous interactions at workshops with known HIV positive individuals are arranged from time to time to educate staff and eliminate discriminations and stigmatisation.

### (f) Performance Management/Target Setting

Performance management/target setting is implemented in line with Management's resolve to set strategic objectives for effective monitoring of performance of the Company and its employees.

## 14. Events after the reporting period

There were no significant developments after the reporting date which could have had a material effect on the state of affairs of the Company at 31 March 2026 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

## 15. Independent Joint Auditors

Messrs. KPMG Professional Services (KPMG) and Ahmed Zakari & Co. (AZ), having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the independent joint auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed. A resolution will however be proposed authorizing the Directors to fix their remuneration.

**BY ORDER OF THE BOARD**



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**Theophilus Ogwuche**

Company Secretary

FRC/2019/ICAN/00000019501

26, Post Office Road, Kano,

Nigeria

**25 May 2026.**

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Corporate Governance Report

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### 1. Introduction

Northern Nigeria Flour Mills Plc subscribes to the highest level of Corporate Governance and best practices in the conduct of our business. The Company's governance practices are constantly reviewed to ensure that it is consistent with global standards.

The Company's good corporate governance is the bedrock of strong public trust and confidence reposed in the Company by shareholders, consumers, and employees towards long-term success.

In the pursuit of delivering greater shareholder value, the Company continues to subject its operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success. A principle that guides its operations and actions towards success, which is only worth celebrating when achieved through a process supported and sustained with the right values and principles.

The Company's Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company ensures compliance with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission ("the SEC Code").

### Governance Structure

#### 2. The Board

The Board of Directors is responsible for the governance of the company and is accountable to shareholders for creating and delivering sustainable value through the management of the company's business.

The Board is committed to the highest standards of business integrity, ethical values, and governance; it recognizes the responsibility of the company to conduct its affairs with transparency, fairness, and social responsibility.

The Board determines the overall strategy of the company and follows up on its implementation, supervises the performance of the company, and ensures adequate management, thus actively contributing to developing the company as a focused, sustainable, and global brand.

The synergy between the Board and Management fosters interactive dialogue in setting broad policy guidelines in the management and direction of the company to enhance optimal performance and ensure that associated risks are properly managed. Furthermore, the Board plays a central role in conjunction with Management in ensuring that the company is financially strong and well-governed and that risks are identified and well-mitigated.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through two (2) Committees, namely, Board Risk and Audit Committee and the Board Remuneration and Governance Committee.

In addition to the Board Committees, the Statutory Audit Committee of the Company, which comprises two members of the Board of Directors and three representatives of the Shareholders, also performs its statutory role as stipulated by the Companies and Allied Matters Act (CAMA), 2020.

# Northern Nigeria Flour Mills Plc

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## Corporate Governance Report

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Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including manufacturing, accounting, engineering as well as law. They possess the requisite integrity, skills, and experience to bring to bear independent judgment on the deliberations of the Board and decisions of the Board (without prejudice to Directors' right to earn Directors' fees and hold interest in shares). They have a good understanding of the company's businesses and affairs to enable them properly evaluate information and responses provided by Management and to provide an objective challenge to Management.

Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the company. The Directors are provided with comprehensive group information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

During the year under review, the Directors and other key personnel of the Company complied with the following:

- i. The National Code of Corporate Governance for Public Companies which became effective in January 2019.
- ii. The Securities and Exchange Commission (SEC) issued the Code of Corporate Governance for public companies.

### 3. Responsibilities of the Board

The Board has the ultimate responsibility for determining the strategic objectives and policies of the company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives, and controls. The Board has delegated the responsibility for the day-to-day operations of the company to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, as it relates to the achievement of the company's strategic objectives and good consumer satisfaction.

Other powers reserved for the Board are the determination of Board structure, size, and composition, including appointment and removal of Directors, succession planning for the Board and senior management, and Board Committee membership.

### 4. Roles of Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information to enable the Board to make informed decisions and provide advice to promote the success of the company.

The Board has delegated the responsibility for the day-to-day management of the company to the Managing Director/Chief Executive Officer, who is supported by Executive Management.

The Managing Director executes the powers delegated to him by guidelines approved by the Board of Directors.

Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews the Company's performance, matters of strategic concern, and any other matter it regards as material.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Corporate Governance Report

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### 5. Roles of Directors

The highlights of the role of directors include:

- Critical and regular examination of the company's overall strategy with a view to ensuring that its goal, business plan and budget are in alignment.
- Assign respective committees to consider and take appropriate decisions on issues requiring Board attention.
- Establish well-considered objectives for the company and monitor implementation, review performance and ensure the deployment of appropriate competencies.
- Ensure that adequate resources are available to meet the company's goals and objectives.
- Oversee Board appraisal, training, succession planning, appointment and remuneration of members.

### 6. Changes on the Board

In the financial year ended 31 March 2026, Mr. Devlin Hainsworth, and Mr. Nassib Raffoul, were appointed to the Board of Northern Nigeria Flour Mills Plc on 25 September 2025 to replace Mr. Paul M. Gbededo, and Alhaji Y. Olalekan A. Saliu who resigned from the Board on 25 September 2025. Hajia Batulu M Koguna was appointed to the Board of Northern Nigeria Flour Mills Plc on 8 January 2026.

### 7. Frequency and Attendance of Board Meetings

The Board held three (3) meetings during the financial year ended 31 March 2026. The notice for each meeting was in line with the company's Articles of Association and Board papers were provided to directors in advance. In line with provisions of the Companies and Allied Matters Act, 2020 (CAMA), record of Directors' attendance at the Board meetings is available for inspection at the Annual General Meeting.

Senior Executives of the Company are from time to time invited to attend Board meetings and make presentations of their business units.

### 8. A summary of record of attendance at Board meetings is presented below:

Name	28-Jul-25	25-Sep-25	26-Feb-26
Alhaji Rabiuh Mohammed Gwarzo, OON	Yes	Yes	Yes
Mr. John G . Coumantaros	No	No	No
Alhaji Sani Umar	Yes	Yes	Yes
Mallam Abdul Ganiyu Sani	Yes	Yes	Yes
Alhaji Sadiq Usman	Yes	Yes	Yes
Mr. Adrian Naidoo	Yes	Yes	Yes
Mr. Omoboyede O. Olusanya	Yes	Yes	Yes
Alhaji Auwalu Mukhari	Yes	Yes	Yes
Mr. Joseph Umolu	Yes	Yes	Yes
Mr. Devlin Hainsworth	N/A	Yes	Yes
Hajia Batulu M Koguna	N/A	N/A	Yes

Yes- Present

No- Absent

N/A - Not Applicable

# Northern Nigeria Flour Mills Plc

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## Corporate Governance Report

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### 9. Board Risk and Audit Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies. The coverage of supervision includes the following: reputational risk, operations risk, technology risk, market risk, liquidity risk and other pervasive risks as may be posed by the events in the industry at any point in time.

The Terms of Reference of the Board Risk Management Committee includes:

- To review and recommend for the approval of the Board, the company's Risk Management Policies including the risk profile and limits;
- To determine the adequacy and effectiveness of the company's risk detection and measurement systems and controls;
- To evaluate the Company's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the company.
- To oversee Management's process for the identification of significant risks across the company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- To review and recommend to the Board for approval, the contingency plan for specific risks;
- To review the company's compliance level with applicable laws and regulatory requirements which may impact on the company's risk profile;
- To conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile;
- To handle any other issue referred to the Committee from time to time by the Board.

### Composition

The Board Risk Management Committee comprised the following members during the year under review:

Name	Designation
- Alhaji Sadiq Usman	Chairman
- Mr. Nassib Raffoul	Member
- Alhaji Sani Umar	Member
- Alhaji Auwalu Muktari	Member

### Meetings

The Committee meets quarterly and additional meetings are convened as required. The Committee met four (4) times during the financial year ended 31 March 2026.

Name	15-Jul-25	19-Nov-25	29-Jan-26	26-Feb-26
Alhaji Sadiq Usman	Yes	Yes	Yes	Yes
Mr. Nassib Raffoul	N/A	Yes	Yes	Yes
Alhaji Sani Umar	Yes	Yes	Yes	Yes
Alhaji Auwalu Muktari	Yes	Yes	Yes	Yes

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## Corporate Governance Report

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Yes- Present

No- Absent

N/A - Not Applicable

### 10. Board Remuneration and Governance Committee

This Committee is responsible for the approval of human resource matters, identification and nomination of candidates for appointment to the Board and Board governance issues such as annual evaluation of the performance of the Managing Director and the Board, induction and continuous education, approval of promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions. The Board remuneration committee has the responsibility of setting the principles and parameters of Remuneration Policy across the Company, determining the policy of the Company on the remuneration of the Managing Director and other Executive Directors and the specific remuneration packages and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the company.

#### Composition

Name	Designation
- Mr. Joseph Umolu	Chairman
- Mr. Devlin Hainsworth	Member
- Alhaji Sani Umar	Member
- Alhaji Abdul Ganiyu Sani	Member

#### Meetings

The Committee met once during the financial year ended 31 March 2026.

Name	21-Nov-25
Mr. Joseph Umolu	Yes
Mr. Devlin Hainsworth	No
Alhaji Sani Umar	Yes
Alhaji Abdul Ganiyu Sani	Yes

Yes- Present

No- Absent

### 11. Statutory Audit Committee

This Committee is responsible for ensuring that the Company complies with all the relevant policies and procedures both from the regulators and as laid down by the Board of Directors. Its major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices.

The Committee also reviews the Company's annual and interim financial statements, particularly the effectiveness of the Company's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the company's results.

# Northern Nigeria Flour Mills Plc

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## Corporate Governance Report

The Committee is responsible for the review of the integrity of the company's financial reporting and oversees the independence and objectivity of the external auditors, reviews and ensures that adequate whistle-blowing procedures are in place and that a summary of issues reported is highlighted to the Committee and reviews the independence of the external auditors, and ensures that where non-audit services are provided by the external auditors, there is no conflict of interest. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of two (2) Non-Executive Directors and three (3) Shareholders of the Company appointed at the Annual General Meetings. The membership of the Committee at the Board level is based on the relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee. The internal and external auditors are invited from time to time to attend the Meetings of the Committee. The Chief Financial Officer and appropriate members of Management also attend the meetings upon invitation. The Committee is required to meet quarterly and additional meetings may be convened as the need arises.

### Composition

Pursuant to section 404 of the Companies and Allied Matters Act (CAMA), 2020, the Company's Audit Committee comprises:

- Alhaji Bello Umar Gwangwazo	Shareholder's representative	Chairman
- Alhaji Lawan Sule Garo	Shareholder's representative	Member
- Alhaji Sadiq A. Uthman	Shareholder's representative	Member
- Alhaji Sani Umar	Non-executive director	Member
- Alhaji Auwalu Muktari	Non-executive director	Member

### Meetings

The Statutory Audit Committee of the Company met four (4) times during the year. Members of the Statutory Audit Committee receive regular reports and updates on financial matters and internal control reviews from internal and external auditors. A summary of record of attendance at Statutory Audit Committee meetings held during the financial year ended 31 March 2026 is shown below:

Name	22-May-25	24-Jul-25	23-Oct-25	22-Jan-26
Alhaji Bello Umar Gwangwazo	Yes	Yes	Yes	Yes
Alhaji Sani Umar	Yes	Yes	Yes	Yes
Alhaji Lawan Sule Garo	Yes	Yes	Yes	Yes
Alhaji Sadiq A. Uthman	Yes	Yes	Yes	Yes
Alhaji Auwalu Muktari	Yes	Yes	Yes	Yes

Yes- Present

No- Absent

## 12. Code of Business Conduct

In demonstration of strong commitment to best practices in corporate governance, integrity and high ethical standards in all aspects of our business, the Company has a Code of Conduct in place which is consistent with that of the parent company. Apart from being in line with current global trends, the Company's Code of Conduct also aligns with the requirements of regulatory authorities.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Corporate Governance Report

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Through the provisions of the Code, the Company instils in its Directors and employees the need to maintain a high standard of corporate values, transparency, accountability, professionalism and to promote good corporate governance.

### 13. Whistle Blowing

Under the Company's whistle blowing policy and procedures, employees and other stakeholders including third parties are encouraged to report any observed or suspected acts of fraud, corruption or other irregularities, orally or anonymously contact the independent helpline by telephone or online without fear of reprisal or recrimination.

The Company guarantees that the identity of the reporting individual or organization shall be accorded utmost protection and the report will be timeously investigated and treated.

### 14. Shareholders

The General Meeting of the Company is the highest decision-making body of the Company. The company's General Meetings are conducted transparently and fairly. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company. The Annual General Meetings are attended by representatives of regulators such as the Corporate Affairs Commission, the Securities and Exchange Commission, and the Nigerian Stock Exchange, as well as representatives of Shareholders.

The Company has an Investor Relations Unit, which deals directly with inquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. In addition, quarterly, half-yearly, and annual financial results are published in widely-read national newspapers.

### 15. Protection of Shareholders' Rights

Statutory and general rights of shareholders are protected at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of the volume of shareholding or social status.

### 16. The Company Secretary

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive the required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Company Secretary is also responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance of the Company, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Managing Director to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organising Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board discussions and decisions.

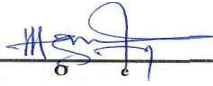
# **Northern Nigeria Flour Mills Plc**

Annual report for the year ended 31 March 2026

## **Corporate Governance Report**

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The Company meets the costs of independent professional advice obtained jointly or severally by a Director or Directors where such advice is necessary to enable the obligations imposed on an individual, through membership of the Board, to be properly fulfilled.



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**Theophilus Ogwuche**

Company Secretary

FRC/2019/ICAN/00000019501

26, Post Office Road, Kano,

Nigeria

**25 May 2026.**

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statement of Directors' Responsibilities in Relation to the Financial Statements

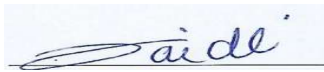
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The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, 2020 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.

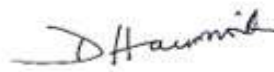
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

### SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



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Mr. Adrian Naidoo  
Managing Director  
FRC/2023/POR/DIR/071/023658  
25 May 2026.



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Mr. Devlin Hainsworth  
Director  
FRC/2026/PRO/DIR/003/579638  
25 May 2026.

# Northern Nigeria Flour Mills Plc

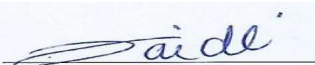
Annual report for the year ended 31 March 2026

## Statement of Corporate Responsibility for the Financial Statements

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Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director and Chief Financial Officer, hereby certify the financial statements of Northern Nigeria Flour Mills Plc for the year ended 31 March 2026 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 March 2026.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 March 2026.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to me by other officers of the Company, during the year end 31 March 2026.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
  - (i) there are no material deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's Auditors any significant weaknesses in internal controls, and
  - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.



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Mr. Adrian Naidoo  
Managing Director  
FRC/2023/POR/DIR/071/023658  
25 May 2026.



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Mr. Emmanuel Akajagbon  
Chief Financial Officer  
FRC/2025/PRO/ICAN/001/476868  
25 May 2026.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statutory Audit Committee Report

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**To the members of Northern Nigeria Flour Mills Plc**

In compliance with section 404(7) of the Companies and Allied Matters Act, 2020 (CAMA), the Audit Committee received the Audited Financial Statements for the period ended 31 March 2026 together with the management letter from the external auditors and management response thereto at the duly convened meeting of the Committee.

We reviewed the scope and planning of the audit requirements and found them adequate.

After due consideration the Committee accepted the report of the external auditors that the financial statements give a true and fair view of the state of the Company's financial affairs as at 31 March 2026 having been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended). The Committee reviewed management's response to the external auditors' findings in the management letter and we are satisfied with the management response.

The Committee considered and approved the provision made in the financial statements for the remuneration of the external auditors.

We confirm that the internal control system was constantly and effectively monitored through effective internal audit function. The external auditors confirmed that they received full cooperation from Management in the course of their statutory audit.

The Committee therefore recommended that the audited financial statements for the year ended 31 March 2026 and the External Auditors' Report thereon be presented for adoption at this Annual General Meeting.

**Dated 25 May 2026.**

**On behalf of the audit committee**



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**Alhaji Bello Umar Gwangwazo**  
**Chairman Audit Committee**  
**FRC/2015/ANAN/00000012376**

Other Members

Alhaji Sani Umar

Alhaji Lawan Sule Garo

Alhaji Sadiq A. Uthman

Alhaji Auwalu Muktari

Kano, Nigeria

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

---

I, Adrian Naidoo, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026 of Northern Nigeria Flour Mills Plc. (“the Company”)
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Company’s other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
  - 4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company’s auditors and the audit committee:
  - 1) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company’s ability to record, process, summarise and report financial information; and

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

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- 2) That there is no fraud, whether or not material, that involved management or other employees who have a significant role in the Company's internal control system.
- f) The Company's other certifying officer and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Name: Adrian Naidoo  
Designation: Managing Director  
FRC No: FRC/2023/POR/DIR/071/023658

Signature:   
Date: 25 May 2026.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

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I, Emmanuel Akajagbon, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026 of Northern Nigeria Flour Mills Plc. ("the Company");
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Company's other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company particularly during the period in which this report is being prepared, is made known to us by others within the Company;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
  - 4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee:
  - 1) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

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- 2) That there is no fraud, whether or not material, that involved management or other employees who have a significant role in the Company's internal control system.
- f) The Company's other certifying officer and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Name: Mr. Emmanuel Akajagbon  
Designation: Chief Financial Officer  
FRC No: FRC/2025/PRO/ICAN/001/476868

Signature:   
Date: 25 May 2026.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING AS OF 31 MARCH 2026

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The management of Northern Nigeria Flour Mills Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investment and Securities Act 2025 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

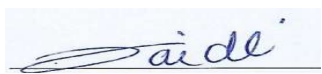
The management of Northern Nigeria Flour Mills Plc. assessed the effectiveness of the internal control over financial reporting of the Company as of 31 March 2026 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Internal Control over Financial Reporting.

As of 31 March 2026, the management of Northern Nigeria Flour Mills Plc did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that, as of 31 March 2026, the Company's internal control over financial reporting was effective.

The Company's independent joint auditors, KPMG Professional Services and Ahmed Zakari & Co., who audited the financial statements included in this Annual Report, issued an unmodified conclusion "&"on the effectiveness of the Company's internal control over financial reporting as of 31 March 2026 based on the limited assurance engagement performed by them. The independent joint auditors' limited assurance report is included in the Annual Report.

### Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.



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Adrian Naidoo  
Managing Director  
FRC/2023/POR/DIR/071/023658



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Mr. Emmanuel Akajagbon  
Chief Financial Officer  
FRC/2025/PRO/ICAN/001/476868



**KPMG Professional Services**

KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMG 40014, Falomo  
Lagos



Telephone 234 (1) 271 8955  
234 (1) 271 8599  
Internet home.kpmg/ng

## **Independent Joint Auditor's Limited Assurance Report**

To the Shareholders of Northern Nigeria Flour Mills Plc.

### **Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting**

#### **Conclusion**

We have performed a limited assurance engagement on whether internal control over financial reporting of Northern Nigeria Flour Mills Plc ("the Company") as of 31 March 2026 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Internal Control over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Northern Nigeria Flour Mills Plc's internal control over financial reporting as of 31 March 2026 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Internal Control over Financial Reporting.

#### **Basis for conclusion**

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Other matter**

We have audited the financial statements of Northern Nigeria Flour Mills Plc in accordance with the International Standards on Auditing, and our report dated 26 May 2026 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

## Responsibilities for Internal Control over Financial reporting

The Board of Directors of Northern Nigeria Flour Mills Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

## Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

### *Summary of the work we performed as the basis for our conclusion*

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Signed**



**Adegoke A. Oyelami, FCA**  
FRC/2012/PRO/ICAN/004/0000000444  
For: KPMG Professional Services  
Chartered Accountants  
26 May 2026  
Lagos, Nigeria.



**Oyindamola Ajayi**  
FRC/2024/PRO/ICAN/004/867297  
For: Ahmed Zakari & Co.  
Chartered Accountants  
26 May 2026  
Lagos, Nigeria





**KPMG Professional Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
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Lagos



Telephone 234 (1) 271 8955  
234 (1) 271 8599  
Internet home.kpmg/ng

## **Independent Auditor's Report**

*To the Shareholders of Northern Nigeria Flour Mills Plc*

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Northern Nigeria Flour Mills Plc. (the Company), which comprise:

- the statement of financial position as at 31 March 2026;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended, and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

#### **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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Nigeria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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, 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 of Corporate Information, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the financial statement, Statements of Corporate Responsibilities for the financial statement, Statutory Audit Committee report, Certification of Management on Internal Control over Financial Reporting, Report on the Effectiveness of Internal Control over Financial Reporting and other National Disclosures but does not include the financial statements and our auditor's report thereon.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.

Other information also includes the Notice of Annual General Meeting, Chairman's statement and shareholders information, together the "outstanding reports" which are expected to be available to us after that date.

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

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### ***Responsibilities of the Directors for the Financial Statements***

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended), 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.

### ***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 judgement and maintain professional skepticism 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 the Statutory Audit Committee 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 the Statutory Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Statutory Audit Committee, 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**

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020*

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account

### **Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting**

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 March 2026. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 26 May 2026. That report is included in the annual report.

**Signed:**



**Adegoke A. Oyelami, FCA**  
FRC/2012/PRO/ICAN/004/0000000444  
For: KPMG Professional Services  
Chartered Accountants  
26 May 2026  
Lagos, Nigeria



**Oyindamola Ajayi**  
FRC/2024/PRO/ICAN/004/867297  
For: Ahmed Zakari & Co.  
Chartered Accountants  
26 May 2026  
Lagos, Nigeria



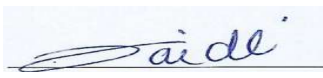
# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statement of Financial Position as at

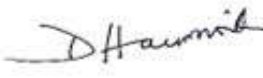
	Notes	31-Mar-26 ₦'000	31-Mar-25 ₦'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	14	12,017,155	7,182,526
Prepayments	18	276	2,332
<b>Total non-current assets</b>		<b>12,017,431</b>	<b>7,184,858</b>
<b>Current Assets</b>			
Inventories	16	19,119,296	20,456,786
Trade and other receivables	17	8,631,558	1,005,724
Loans to related parties	15	1,713,309	-
Prepayments	18	76,364	940,672
Investment	19	79,513	80,731
Cash and cash equivalents	20	1,536,506	880,166
<b>Total current assets</b>		<b>31,156,546</b>	<b>23,364,079</b>
<b>Total Assets</b>		<b>43,173,977</b>	<b>30,548,937</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	21	89,100	89,100
Share premium	21	89,521	89,521
Revaluation reserve	38	7,475,111	5,046,057
Retained earnings		4,488,218	4,468,688
<b>Total equity</b>		<b>12,141,950</b>	<b>9,693,366</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Employee benefits obligation	23	238,439	258,666
Deferred tax	13	3,286,134	754,151
<b>Total Non-Current Liabilities</b>		<b>3,524,573</b>	<b>1,012,817</b>
<b>Current Liabilities</b>			
Borrowings	22	15,023,435	-
Trade and other payables	25	11,875,294	18,120,983
Dividend payable	26	47,705	47,152
Current tax payable	12(b)	217,086	1,257,280
Contract liabilities	27	343,934	417,339
<b>Total current liabilities</b>		<b>27,507,454</b>	<b>19,842,754</b>
<b>Total liabilities</b>		<b>31,032,027</b>	<b>20,855,571</b>
<b>Total equity and liabilities</b>		<b>43,173,977</b>	<b>30,548,937</b>

The annual report and notes were approved by the Board on 25 May 2026 and were signed on its behalf by:



**Adrian Naidoo**  
Managing Director

FRC/2023/POR/DIR/071/023658



**Mr. Devlin Hainsworth**  
Director

FRC/2026/PRO/DIR/003/579638



**Mr. Emmanuel Akajagbon**  
Chief Financial Officer

FRC/2025/PRO/ICAN/001/476868

*The accompanying notes form an integral part of these financial statements.*

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statement of Profit or Loss and Other Comprehensive Income for the year ended

	<u>Notes</u>	<u>31-Mar-26</u>	<u>31-Mar-25</u>
		<u>₦'000</u>	<u>₦'000</u>
Revenue	5	21,547,326	35,392,448
Cost of sales	6	<u>(19,799,623)</u>	<u>(30,239,872)</u>
<b>Gross profit</b>		<b>1,747,703</b>	<b>5,152,576</b>
Other operating income	7	300,940	138,358
Selling and distribution expenses	8	(139,872)	(284,689)
General and administrative expenses	9(a)	(1,598,531)	(2,098,078)
Reversal/ (Impairment) charge on trade and other receivables	17(a)	19,471	(21,091)
<b>Operating profit</b>		<b>329,711</b>	<b>2,887,076</b>
Finance income	10	89,827	12,715
Finance costs	11	(306,780)	(12,730)
<b>Profit before taxation</b>		<b>112,758</b>	<b>2,887,061</b>
Taxation	12(a)	(87,154)	(1,141,985)
<b>Profit for the year</b>		<b>25,604</b>	<b>1,745,076</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit liability	23(a)	58,296	(60,222)
Revaluation of property, plant and equipment	38	5,072,000	-
Income tax relating to items that will not be reclassified	13	(2,662,767)	19,873
<b>Total items that will not be reclassified to profit or loss</b>		<b>2,467,529</b>	<b>(40,349)</b>
<b>Other comprehensive income/ (loss) for the year net of taxation</b>		<b>2,467,529</b>	<b>(40,349)</b>
<b>Total comprehensive income for the year</b>		<b>2,493,133</b>	<b>1,704,727</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (kobo)	28	14	979

*The accompanying notes form an integral part of these financial statements.*

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statement of Changes in Equity for the year ended 31 March 2026

	Share capital ₦'000	Share premium ₦'000	Revaluation reserve ₦'000	Retained earnings ₦'000	Total equity ₦'000
<b>Balance at 1 April 2024</b>	<b>89,100</b>	<b>89,521</b>	<b>5,046,057</b>	<b>2,853,061</b>	<b>8,077,739</b>
Profit for the year	-	-	-	1,745,076	1,745,076
Other comprehensive income	-	-	-	(40,349)	(40,349)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,704,727</b>	<b>1,704,727</b>
<b>Transactions with owners of the Company</b>					
Dividend declared	-	-	-	(89,100)	(89,100)
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(89,100)</b>	<b>(89,100)</b>
<b>Balance at 31 March 2025</b>	<b>89,100</b>	<b>89,521</b>	<b>5,046,057</b>	<b>4,468,688</b>	<b>9,693,366</b>
<b>Balance at 1 April 2025</b>	<b>89,100</b>	<b>89,521</b>	<b>5,046,057</b>	<b>4,468,688</b>	<b>9,693,366</b>
Profit for the year	-	-	-	25,604	25,604
<b>Other comprehensive income</b>					
Revaluation surplus (Note 38)	-	-	2,429,054	-	2,429,054
Remeasurements of defined benefit liability (Note 23(a))	-	-	-	38,476	38,476
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,429,054</b>	<b>64,080</b>	<b>2,493,134</b>
<b>Transactions with owners of the Company</b>					
Dividend declared	-	-	-	(44,550)	(44,550)
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,550)</b>	<b>(44,550)</b>
<b>Balance at 31 March 2026</b>	<b>89,100</b>	<b>89,521</b>	<b>7,475,111</b>	<b>4,488,218</b>	<b>12,141,950</b>

*The accompanying notes form an integral part of these financial statements.*

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Statement of cash flow for the year ended

	Notes	31-Mar-26	31-Mar-25
		₦'000	₦'000
<b>Cash flows from operating activities</b>			
Profit for the year		25,604	1,745,076
<b>Adjustments for:</b>			
Depreciation	14(b)	286,612	271,644
Write-off of property, plant and equipment	14	7,686	7,798
Foreign exchange difference	11	622	(1,121)
Interest income on short term investments	10	(1,529)	(12,055)
Interest income on bank deposits	10	(1,401)	(660)
Interest income from loans to related parties	10	(86,897)	-
Finance costs	11	306,158	13,851
Provision for long service award	23(b)	13,397	12,460
Provision for retirement benefit liabilities	23(a)	40,698	30,874
Income tax expense	12(a)	87,154	1,141,985
<b>Changes in working capital</b>			
Inventories	16	1,337,490	(14,201,771)
Trade and other receivables	17(b)	(9,252,246)	41,049
Prepayments	18	866,364	(833,511)
Trade and other payables	25(d)	8,416,347	11,380,224
Deferred income	24	-	(3,266)
Contract liabilities	27(a)	(73,405)	(819,087)
<b>Cash generated from/ (used in) operations</b>		<b>1,972,654</b>	<b>(1,226,510)</b>
Income tax paid	12(b)	(1,258,133)	(679,104)
Long service awards paid	23(b)	(2,401)	(4,179)
Retirement benefit paid	23(a)	(13,972)	(53,638)
<b>Net cash generated from/ (used in) operating activities</b>		<b>698,148</b>	<b>(1,963,431)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(1,324)	(1,581)
Disposal/ (acquisition) of investments	19	1,218	(19,296)
Interest received	10	2,930	12,715
<b>Net cash generated from/ (used in) investing activities</b>		<b>2,824</b>	<b>(8,162)</b>
<b>Cash flows from financing activities</b>			
Interest paid on borrowings	22	-	(4,932)
Interest paid on bank overdraft	11	(14)	(61)
Principal repayment on borrowing	22	-	(54,593)
Dividend paid	26	(39,542)	(72,214)
WHT on dividend remitted	26	(4,455)	(8,906)
<b>Net cash used in financing activities</b>		<b>(44,011)</b>	<b>(140,706)</b>
<b>Total cash movement for the year</b>		<b>656,962</b>	<b>(2,112,299)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	11	(622)	1,121
Cash and cash equivalents at the beginning of the year		880,166	2,991,344
<b>Total cash and cash equivalents at the end of the year</b>	<b>20</b>	<b>1,536,506</b>	<b>880,166</b>

The accompanying notes form an integral part of these financial statements.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 1. Reporting entity

Northern Nigeria Flour Mills Plc was incorporated in Nigeria as a private limited liability Company on 29 October 1971. The Company was converted to a public liability company in 1978 and was quoted on the Nigerian Stock Exchange in the same year. Its registered head office is located at 15 Maimalari Road, Bompai, Kano. Its present ownership structure is 40.4% owned by individuals and institutions in Nigeria and 59.6% owned by Golden Penny Foods Limited, which is the parent Company, and the ultimate controlling party is Excelsior Shipping Company Limited, a company registered in Cyprus. The beneficial owner of Excelsior Shipping Company is a trust established by the late John S. Coumantaros.

#### 1.1 Principal activities

The Company's main business is milling of wheat, maize, sorghum and other associated grains and sales of the milled products in the form of flour.

#### 1.2 Going concern status

The financial statements have been prepared on a going concern basis. The Directors believe that there is no intention or threat from any source to curtail significantly the Company's lines of business in the foreseeable future.

#### 1.3 Ownership structure

Name of Shareholder	Mar-26		Mar-25	
	No. of shares held	% of share capital	No. of shares held	% of share capital
Golden Penny Foods Limited	106,206,273	59.60	106,206,273	59.6
GTB PLC/Northern Nigeria Investment Limited	12,955,000	7.27	12,955,000	7.27
Other individuals and institutional shareholders	59,038,727	33.13	59,038,727	33.13
	<b>178,200,000</b>	<b>100</b>	<b>178,200,000</b>	<b>100</b>

#### 1.4 Financial period

These financial statements cover the financial year from 1 April 2025 to 31 March 2026, with comparatives for year ended 31 March 2025.

#### 1.5 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies and Allied Matters Act, 2020 (CAMA) and the Financial Reporting Council of Nigeria Act, 2011 (as amended). The financial statements were authorised for issue by the board of directors on 25 May 2026.

#### 1.6 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments: Initially measured at fair value and subsequently measured at amortised cost.
- Defined benefits obligations: Present value of the defined benefit obligation
- Long service awards: Present value of the defined benefit obligation
- Land: measured at revalued amount

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 1.7 Functional and presentation currency

For the purpose of these financial statements, the results and financial position of the Company are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the Company's financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### 2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied except where indicated otherwise.

#### 2.1 Segmental reporting

The Company is involved in the milling of wheat, sorghum and other grains. All of the Company's products have similar risks and returns, thus the management does not use any operating segment results to make decisions about resources to be allocated to the segment and assess its performance. The Company has only one business segment.

#### Geographical

The Company earned all its revenue in current and prior years from customers who are all in its country of domicile (Nigeria).

#### Major Customer

During the year, only one customer contributed above 10% of the Company's revenue (2025: one) and two customers contributed between 5% and 10% of the Company's revenue (2025: three) This is summarised in the table below.

	31-Mar-26	31-Mar-25
	N'000	N'000
Customer A	-	1,555,522
Customer B	1,551,268	1,810,812
Customer C	2,118,083	2,217,613
Customer D	2,393,428	4,239,401

#### 2.2 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue net of value added tax (VAT) and discounts when it transfers control of a product or service to a customer.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Nature and timing of satisfaction of performance obligation, including significant payment terms

Customers gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts 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.

### Sale of goods

The Company recognises revenue from the sale and distribution of flour and its by-products. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company recognises revenue when it transfers control of products to the customers. The Company sells flour and related products to distributors. For sales of products to the distributors, revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the distributor's location if the agreement is for the Company to deliver or when the customer picks up the products from the Company's premises. For distributors that buy on credit, a receivable is recognised by the Company when the goods are delivered to the distributor as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is usually due within 30 days.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

### Contract liabilities

Advance payments received for goods yet to be delivered by the Company are recognised as contract liabilities on the statement of financial position and revenue is recognised as soon as goods have been delivered.

## 2.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land which is carried at revalued amount being the fair value at the date of revaluation. It is the management policy to carry out revaluation of land every three (3) years. Cost includes expenditure that is directly attributable to the acquisition of the items, including the capitalisation of borrowing costs on qualifying assets.

Any increase in asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses an impairment of the same asset previously recognised in profit or loss.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity. It is the Company's policy to retain the revaluation surplus in equity until the revalued land is disposed.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount is the cost of an asset or other amount substituted for cost (for example the fair value of an asset following a revaluation), less its residual value.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following basis by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Land	Not depreciated
Buildings	50 years
Plant and machinery	10-25 years
Furniture and equipment	3-10 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Engineering spare parts and stand-by equipment are capitalised as property, plant and equipment when the Company expects to use them for more than one year.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the Company's accounting policy. Assets in the course of construction are not depreciated until they get to the stage of intended use.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 2.4 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial instruments are classified based on the Company's business model and cash flow characteristics. Broadly, the classification which are adopted by the Company, as applicable, are as follows:

#### Financial assets:

Amortised cost: This category applies when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

#### Financial liabilities:

Note 33 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

#### Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to directors. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the directors' strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the directors
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

### 2.4.1 Trade and other receivables

#### Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost (note 17).

They have been classified in this manner because their contractual terms give rise, on specified dates, to cash flows, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

#### Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Impairment

The Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost; debt investments measured at FVOCI; and contract assets. The amount of expected credit losses is updated at each reporting date.

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

### Measurement and recognition of expected credit losses

The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

An impairment loss or reversal is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables through use of a loss allowance account.

### Write-off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### 2.4.2 Borrowings and loans from related parties

#### Recognition and measurement

Borrowings and loans from related parties are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 11).

Borrowings expose the Company to liquidity risk and interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

### 2.4.3 Trade and other payables

#### Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to Note 33 for details of risk exposure and management thereof.

### 2.4.4 Derecognition

#### Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### Offsetting financial instruments

Financial assets and financial 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 them on a net basis or to realise the asset and settle the liabilities simultaneously.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 2.5 Taxation

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

The tax currently payable is based on taxable or assessable profit for the period in accordance with the Nigerian Tax Act, 2025. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### Current tax

The current tax is based on taxable and assessable profit for the year and any adjustment in respect of previous years. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Based on the provisions of the Finance Act 2023, tertiary education tax is imposed on every Nigerian Company at the rate of 3% of assessable profit, that is, tax adjusted profit before capital allowances for each year of assessment. Tax adjusted profit is the profit arrived at after adding back non tax-deductible expenses and excluding non-taxable income.

#### Minimum tax

Minimum tax (determined as defined in the Finance Act as 0.5% of turnover less franked investment income). Franked investment income is defined as dividend received by one Company from another after deduction of withholding tax. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on gross amount is outside the scope of IAS 12 and therefore, is not presented as part of income tax expense in profit or loss but presented separately above the income tax line. The liability is recognised under current tax liabilities in the statement of financial position. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Police trust fund

Nigeria Police Trust Fund (NPTF) levy is governed by the Nigeria Police Trust Fund (Establishment) Act, 2019. The levy is computed on the net profits (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year) of Companies operating in Nigeria at the rate of 0.005%. The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

### Impact of the Nigerian Tax Act (NTA) 2025

#### Development levy

In accordance with the Nigerian Tax Act 2025, the Company is subject to a Development Levy, effective from 1 January 2026. The Development Levy replaces and consolidates previous levies including the Tertiary Education Tax (TET), Information Technology Levy (IT), the National Agency for Science and Engineering Infrastructure (NASeni) levy, and the Police Trust Fund (PTF) levy. It is calculated at a rate of 4% on the Company's assessable profits.

#### Minimum effective tax rate

In accordance with the Nigerian Tax Act 2025, the Company is subject to a minimum effective tax rate of 15% on its "profits" where its annual revenue exceeds NGN 20 billion. For the purpose of this calculation, "profits" are defined as the net profit before tax as reported in the audited financial statements, less 5% of the depreciation and personnel costs incurred during the year. This adjustment serves to exclude components relating to substantive business activities such as capital investment and employment costs, aligning with the Organisation for Economic Cooperation and Development (OECD) international tax guidelines.

The Nigerian Tax Act 2025 applies to the Company's tax assessments from the financial year ending 31 March 2026 onwards. Consequently, the comparative amounts for prior periods are calculated based on the provisions of the Companies Income Tax Act (as amended).

### Deferred tax assets and liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 2.6 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.
- In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used. This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

Contracts may contain both lease and non-lease components. The Company has elected to not separate lease and non- lease components.

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

### Cash flows relating to leases

Cash flow relating to leases are presented as follows:

- a) cash payments for the principal portion of the lease liabilities as cash flows from financing activities
- b) Cash payments for the interest portion are recognised in financing activities, and
- c) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities.

### Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- a) fixed payments (including in-substance fixed payments), less any lease incentives receivable
- b) variable lease payments that are based on an index or a rate
- c) amounts expected to be payable by the Company under residual value guarantees

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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- d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- e) payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

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

### Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the following:

- a) the amount of the initial measurement of lease liability
- b) any lease payments made at or before the commencement date, less any lease incentives received
- c) any initial direct costs, and
- d) restoration costs.

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

### Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1,800,000 when new, and depend on the nature of the asset. Lease payments on short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease term.

### Leases as a lessor

The Company lets out some apartments from its guest house consisting of its own residential property to some employees. All leases are classified as operating leases from a lessor's perspective.

Rental income from letting property is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are considered as an integral part of the total rental income and recognised over the term of the lease. Rental income from the ordinary business of the Company is recognised as revenue, while rental income from activities other than the ordinary business are recognised as other operating income.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 2.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Company's Inventories consist of raw materials, consumables, finished goods and spare parts. The basis of costing of different Inventories type are as follows:

Raw and packaging materials: Purchase cost including transportation and other incidental cost on a First In First Out (FIFO) basis. Goods in transit: Purchase cost incurred to date

Finished products: Purchase cost of direct materials, labour and a reasonable allocation of overheads based on normal operating capacity on a weighted average basis.

Engineering spares and other consumables: Weighted average cost.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised.

### 2.8 Impairment of tangible and intangible assets excluding goodwill, inventories, deferred tax assets and financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# **Northern Nigeria Flour Mills Plc**

Annual report for the year ended 31 March 2026

## **Notes to the financial statements for the year ended 31 March 2026**

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### **2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, bank overdrafts and highly liquid investments generally with maturities of three months or less. Term deposits with tenor of one year or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes. Cash equivalents are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

### **2.10 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The Company has only one class of shares, ordinary shares. 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. The use of the share premium account is governed by Companies and Allied Matters Act (CAMA), 2020. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Retained earnings represent the Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period restatements. A negative amount of retained earnings is reported as accumulated deficit.

### **2.11 Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid as cash bonus 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.

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

#### **Defined contribution plans**

The Company operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments (basic salaries, housing and transport allowances). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. Employees' contributions are deducted through payroll. The funds are managed by several independent fund managers approved by the Pension Commission. The Company's only obligation is the monthly contributions to the fund.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Defined benefits

The Company also operates a defined benefit gratuity scheme for its qualified staff. Benefits are related to the employees' length of service and remuneration. The gratuity obligation is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period by an independent actuary. All actuarial gains and losses are recognised immediately through other comprehensive income.

The Company's defined benefit obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the company's defined benefits obligation. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense
- Remeasurement (actuarial gains and losses)

The service cost and net interest expense are charged to the profit or loss while the gains and losses due to remeasurement are charged to other comprehensive income.

Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

### Long service award

The Company operates long service award for its qualified staff. The benefits are graduated depending on the employees' number of years in service to the Company. The Company's defined benefit obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the Company's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period.

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

### Termination benefits

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

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 2.12 Provisions, contingent assets and liabilities

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure discounted at a pre-tax rate expected to be required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

### 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.

### Contingent assets

A contingent asset is a possible asset 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

### 2.13 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Company will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant (deferred income) amortised to the profit or loss over the term of the loan on a systematic basis.

### 2.14 Finance income and finance cost

The Company's finance income and finance costs include:

- Interest income on bank deposits
- Interest income on short term investments
- Interest on bank overdrafts
- Interest on bank loans
- Foreign exchange gains/losses

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

Interest income or expense is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to a gross basis.

### 2.15 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.

### 2.16 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous reporting periods are recognised in profit or loss under other gains and losses in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

### 2.17 Statement of cash flows

The Company applies the indirect method for preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance and dividend income are included in investing activities.

### 3 Significant judgements and sources of estimation uncertainty

The preparation of annual report in conformity with IFRS Accounting Standards requires Directors, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the areas of estimation uncertainties and critical judgements, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### Assumptions and estimation uncertainties

##### Deferred tax assets

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

# **Northern Nigeria Flour Mills Plc**

Annual report for the year ended 31 March 2026

## **Notes to the financial statements for the year ended 31 March 2026**

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### **Allowance for credit losses**

The Company periodically assesses its trade and other receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management. Estimation and assumptions are made in determining the allowances made for credit losses.

Impairment allowances are made for receivables that have been outstanding for 365 days, in respect of which there is no firm commitment to pay by the customer

These assessments are subjective and involve a significant element of estimation by management on the ultimate recoverability of amounts receivable.

### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in profit or loss.

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There were no changes in the useful lives of property, plant and equipment in the current year.

### **Valuation of financial liabilities**

The Company was granted some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value is accounted for. Based on IFRS 9, all financial liabilities are initially recognised at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cash flows associated with the loans is based on management assessment of its market rate of interest at the time the loans were granted.

### **Provision for gratuity**

The Company operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve assumptions and the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc, which impact the obligation.

### **Provision for long service award**

A provision for long term service awards is granted to employees who have spent a minimum of ten years in service, and for every multiple of five years an employee remains in service. IAS19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve making assumptions and several demographic projections regarding mortality, rates of employee turnover etc., and financial projections in the area of future salaries and benefit levels, discount rate, inflation, etc., which impact the obligation.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

### Impairment of property, plant and equipment

Determining whether an item of property, plant and equipment is impaired requires an estimation of the recoverable amount of the cash generating units to which the item has been allocated. The value in use calculations requires directors to estimate the future cash flows expected to arise from the cash generating unit and use a suitable discount rate to calculate the present value. The determination of the expected future cashflows requires assumptions to be made by management. Where the actual future cash flows are less than expected, an impairment loss may arise.

### Critical judgements

Provisions, contingent assets and liabilities

Judgements and assumptions are made about the likelihood and magnitude of an outflow of resources with respect to ongoing litigation and claims and regulatory audits.

### Measurement of fair value

Several assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Company uses market observable 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).

In some cases, if the inputs used to measure the fair value of an asset or a liability are categorised in 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

Further information about the basis of determination of fair values is included in Note 34.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### 4. New Standards and Interpretations

#### 4.1 Standards, interpretations and updates effective and adopted in the current year

Amendments to the following standard(s) became effective in the annual period starting from 1 April 2025. The new reporting requirements as a result of the below amendments and/or clarifications have been evaluated and has no impact on the Company's financial statements:

#### **Amendments to IAS 21 - Lack of Exchangeability (effective for reporting periods beginning on or after 1 January 2025)**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

These amendments required companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendment does not have a material impact on the Company's operations or financial statements.

#### 4.2 Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to be effective as at the reporting date:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)
- IFRS 18 - Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for reporting periods beginning on or after 1 January 2027)
- Annual Improvements to IFRS Accounting Standards - Volume II (effective for annual periods beginning on or after 1 January 2026)
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-related Disclosures

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

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### **Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environmental, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or financial statements.

### **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)**

In December 2024, the IASB issued targeted amendments to IFRS 7 and IFRS 9 to allow entities to better reflect nature-dependent electricity contracts in the financial statements. The amendments are:

- (a) clarify the application of the ‘own-use’ criteria to nature-dependent electricity contracts;
- (b) permit hedge accounting if these contracts are used as hedging instruments; and
- (c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows.

The Company does not expect these amendments to have a material impact on its operations or financial statements.

### **IFRS 18 - Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

- Management is currently assessing the detailed implications of applying the new standard on the Company’s financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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- i. Although the adoption of IFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit:
- Foreign exchange differences might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage.
- ii. The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- iii. The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
- management-defined performance measures;
  - a breakdown of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain expenses by nature; and
  - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1
- iv. From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18. The Standard is expected to have a material impact on the entity as it might require system and process changes, but the impact assessment is still ongoing.

### **IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for reporting periods beginning on or after 1 January 2027)**

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available

The standard is not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Annual Improvements to IFRS Accounting Standards - Volume II (effective for annual periods beginning on or after 1 January 2026)

The IASB has made the following improvements in September 2024:

IFRS 1, 'First-time Adoption of International Financial Reporting' to improve consistency between IFRS 1 and IFRS 9, 'Financial Instruments', in relation to the requirements for hedge accounting, and to improve the understandability of IFRS 1;

IFRS 7, 'Financial Instruments: Disclosures' to improve consistency in the language used in IFRS 7 with the language used in IFRS 13, 'Fair Value Measurement';

IFRS 9 to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished, and to address an inconsistency between IFRS 9 and IFRS 15, 'Revenue from Contracts with Customers', in relation to the term 'transaction price';

IFRS 10, 'Consolidated Financial Statements' to clarify the requirements in relation to determining de facto agents of an entity; and

IAS 7, 'Statement of Cash Flows' to replace the term 'cost method' with 'at cost', since the term is no longer defined in IFRS Accounting Standards.

These improvements are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

### IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 is mandatory for public interest entities for period beginning 1 January 2028.

The Company is assessing the impact on the financial statements.

### IFRS S2 - Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 is mandatory for public interest entities for period beginning 1 January 2028.

The Company is assessing the impact on the financial statements.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 5 Revenue

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	N'000	N'000
<b>Revenue from contracts with customers</b>		
Sale of goods	21,547,326	35,392,448
Analysed as follows:		
<b>Sales of goods - point in time</b>		
Sales of wheat products	18,610,859	19,827,914
Sales of maize products	2,213,167	10,227,504
Sales of sorghum products	712,989	3,035,613
Sales of mix products (wheat & maize/sorghum)	10,311	707,798
Other revenue*	-	1,593,619
	<u><b>21,547,326</b></u>	<u><b>35,392,448</b></u>

\* In prior years, Northern Nigeria Flour Mills Plc (NNFM) entered into an agreement with Premier Feed Mills Limited (PFM) for transfer and replacement of 4,146.86 tonnes of maize, a related party as defined by IAS 24 due to common control. As part of this arrangement, PFM returned 440.77 tonnes at N220,000 per metric tonne. An outstanding balance of 3,706.09 tonnes of maize was not returned from the original 4,146.86 tonnes loaned by NNFM to PFM. On 18 July 2024, both parties agreed that the outstanding quantity of 3,706.09 tonnes would be settled in cash at a rate of N650,000 per metric tonne. The transaction was undertaken to support PFM's inventory requirements during a period of inventory shortage. This is a one-off transaction, and no income was realised during the year (2025: N1.6 billion)

### Contract balances

Trade receivables	<b>Note 17</b>	563,248	750,716
Contract liabilities	<b>Note 27</b>	(343,934)	(417,339)

N417.34 million included in contract liabilities as at 31 March 2025 has been recognised in revenue during the year (2025: N1.2 billion)

### 6 Cost of sales

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	N'000	N'000
Raw materials consumed**	17,943,578	28,163,009
Employee costs (Note 29)	263,378	277,976
Depreciation (Note 14(b))	274,620	255,975
Petrol, gas and oil	801,201	989,976
Rent and rates	1,169	832
Repairs and maintenance	223,841	339,265
Insurance	43,236	38,767
Other expenses	248,600	174,072
	<u><b>19,799,623</b></u>	<u><b>30,239,872</b></u>

\*\* The raw materials consumed comprise wheat, sorghum and maize.

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## Notes to the financial statements for the year ended 31 March 2026

### 7 Other operating income

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Sundry income*	247,445	46,966
Freight recovered	-	59,683
Provision no longer required	33,495	23,767
Lease income**	20,000	4,675
Grant income (Note 24)	-	3,267
	<b>300,940</b>	<b>138,358</b>

\* Sundry income relates to the sales of scraps.

\*\* The Company leases out its Guest House. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The referenced assets are included within property, plant and equipment

### 8 Selling and distribution expenses (analysed by nature)

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Employee costs (Note 29)	68,819	24,879
Promotional and similar expenses	71,022	258,921
Advertisement	31	889
	<b>139,872</b>	<b>284,689</b>

### 9 (a) General and administrative expenses (analysed by nature)

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Auditors' remuneration*	28,776	27,547
Bank charges	16,085	33,320
Consulting and professional fees	73,796	85,282
Depreciation (Note (Note 14(b)))	11,992	15,669
Employee costs (Note 29)	622,877	705,856
Directors' emoluments (Note 32)	95,618	49,400
Entertainment	20,361	1,400
IT expenses	115,422	42,057
Insurance	9,245	7,087
Motor vehicle expenses	1,684	501
Fuel, gas and oil	27,113	55,623
Group overhead allocation**	402,654	217,950
Other expenses	37,038	67,821
Printing and stationery	24	2,737
Telephone and fax	830	363
Rates	10,640	9,697
Repairs and maintenance	6,653	26,018
Non income taxes***	6,000	608,368
Security	32,666	19,552
Software maintenance expenses	46,188	3,571
Donations	-	2,760
Subscriptions	16,405	4,913
Travelling expenses	16,387	110,568
Postage	77	18
	<b>1,598,531</b>	<b>2,098,078</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

\* The Auditors' remuneration stated above is inclusive of 7.5% value added tax.

\*\* Group overhead allocation relates to allocated group overhead costs from FMN Holdings Limited. These costs primarily relate to administrative services, management fees, and IT support.

Non income taxes represent provisions for maximum exposures on ongoing and open tax audits on non income taxes such as withholding tax (state and federal), value added tax, Industrial Training Fund contribution, etc.

The auditors also rendered other assurance services relating to Limited assurance report on the internal control over financial reporting during the year and were paid ₦12.5 million (2025: N11.1 million).

### 10 Finance income

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Interest income on bank deposits	1,401	660
Interest income on short term investments	1,529	12,055
<b>Interest received per statement of cash flow</b>	<b>2,930</b>	<b>12,715</b>
Interest income from loans to related parties	86,897	-
<b>Total finance income</b>	<b>89,827</b>	<b>12,715</b>

### 11 Finance costs

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Interest on bank overdraft	14	61
Interest on bank loans	-	13,790
Interest expense on related party loans	306,144	-
Total finance costs expensed	306,158	13,851
Foreign exchange difference	622	(1,121)
<b>Total finance costs determined using effective interest rate</b>	<b>306,780</b>	<b>12,730</b>

### 12 Taxation

#### (a) Profit or loss

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Income tax expense</b>		
Income tax charged	189,129	1,139,136
Development levy	27,957	-
Education tax	-	118,002
Police Trust Fund Levy	-	141
Prior year under/ (over) provision	853	(7,572)
<b>Current tax expense</b>	<b>217,939</b>	<b>1,249,707</b>
Deferred credit	(130,785)	(107,722)
<b>Net income tax as per profit or loss</b>	<b>87,154</b>	<b>1,141,985</b>

Corporation tax is calculated at 30% (2025: 30%) of the estimated taxable profit for the year while development levy is calculated at 4% (2025: 3% tertiary education tax, 0.005% police trust fund levy, and 0.25% NASENI levy) of the estimated assessable profit for the year.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Per statement of financial position</b>		
<b>(b) Current tax payable</b>		
At 1 April	1,257,280	686,676
Charge for the year	217,086	1,257,279
Prior year under/ (over) provision	853	(7,572)
<b>Payment during the year</b>		
Cash payment during the year	(1,258,133)	(679,104)
<b>At 31 March</b>	<b>217,086</b>	<b>1,257,280</b>

	31-Mar-26		31-Mar-25	
	%	₦'000	%	₦'000
Profit before tax	100%	112,758	100%	2,887,061
Tax at the statutory corporation tax rate of 30% (2025: 30%)	30%	33,827	30%	866,118
Development levy @ 4% of assessable profit (2025: Nil)	25%	27,957	0%	-
Tertiary education tax rate (2025: 3% of assessable profit)	0%	-	4%	118,002
Tax effect of non-deductible expenses	20%	22,685	6%	185,518
Effect of adjustment in tax rate	2%	1,832	0%	-
Effect of adjustments on police trust fund levy	0%	-	0%	141
Effect of prior year over provision	1%	853	0%	(7,572)
	<b>78%</b>	<b>87,154</b>	<b>40%</b>	<b>1,162,207</b>
Adjustments recognised in the current period in relation to the deferred tax of prior periods	0%	-	-1%	(20,222)
<b>Effective tax rate</b>	<b>78%</b>	<b>87,154</b>	<b>39%</b>	<b>1,141,985</b>

### 13 Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Deferred tax liability	3,286,134	754,151
<b>Total deferred tax liability</b>	<b>3,286,134</b>	<b>754,151</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### Analysis of deferred tax (assets)/liabilities

	Opening Balance At Apr-25	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance At Mar-26
<b>31 March, 2026</b>				
<b>Deferred tax assets in relation to:</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant and equipment	375,885	(70,084)	-	305,801
Revaluation surplus on PPE	560,673	-	2,642,946	3,203,619
Retirement benefits	(85,359)	(15,532)	19,821	(81,070)
Allowance for bad debt	(16,086)	6,133	-	(9,953)
Exchange difference	1,260	(173)	-	1,087
Excess interest	-	(32,125)	-	(32,125)
Other provisions	(82,222)	(19,004)	-	(101,226)
	<b>754,151</b>	<b>(130,785)</b>	<b>2,662,767</b>	<b>3,286,134</b>

	Opening Balance At Apr-24	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance At Mar-25
<b>31 March, 2025</b>				
<b>Deferred tax assets in relation to:</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant and equipment	416,500	(40,615)	-	375,885
Revaluation surplus on PPE	560,673	-	-	560,673
Retirement benefits	(65,443)	(19,916)	-	(85,359)
Allowance for bad debt	(5,916)	(10,170)	-	(16,086)
Write-down of obsolete inventories	(3,212)	3,212	-	-
Exchange difference	890	370	-	1,260
Other provisions	(21,746)	(40,603)	(19,873)	(82,222)
	<b>881,746</b>	<b>(107,722)</b>	<b>(19,873)</b>	<b>754,151</b>

### Movement in Deferred tax liabilities

	31-Mar-26	31-Mar-25
	<b>₦'000</b>	<b>₦'000</b>
At beginning of the year	(754,151)	(881,746)
Charge for the year recognised in profit or loss	130,784	107,722
Charge to other comprehensive income	(2,662,767)	19,873
<b>At the end of the year</b>	<b>(3,286,134)</b>	<b>(754,151)</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

	Assets		Liabilities		Net	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
<b>Deferred tax assets and liabilities are attributable to:</b>						
Property, plant and equipment	-	-	305,801	375,885	305,801	375,885
Revaluation surplus on land	-	-	3,203,619	-	3,203,619	-
Retirement benefit provision	(81,069)	(85,359)	-	-	(81,069)	(85,359)
Allowance for bad debt	(9,953)	(16,086)	-	-	(9,953)	(16,086)
Exchange differences	-	-	1,087	1,260	1,087	1,260
Excess interest	(32,125)	-	-	-	(32,125)	-
Other provision	(101,226)	(82,222)	-	-	(101,226)	(82,222)
	<b>(224,373)</b>	<b>(183,667)</b>	<b>3,510,507</b>	<b>377,145</b>	<b>3,286,134</b>	<b>193,478</b>

The Directors have recognised a deferred tax liability of N3.29 billion (2025: N754.1 million) relating to deductible temporary differences.

There was no unrecognised deferred tax as at the end of the reporting period (2025: Nil).

The tax assessments and computations for the year ended 31 March 2026 were performed by Olukunle Ogunbamowo, FRC/2013/ICAN/00000000818 of Messrs Deloitte & Touche, FRC/2022/COY/091021.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 14 (a) Property, plant and equipment

	Land	Buildings	Plant & Machinery	Furniture & equipment	Motor Vehicles	Capital work-in-progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Cost</b>							
Balance at 1 April 2024	5,628,000	351,692	3,393,829	190,663	405,428	117,132	10,086,744
Additions	-	-	-	-	-	1,582	1,582
Transfer from CWIP	-	99,958	9,860	8,896	-	(118,714)	-
Write-off*	-	-	(7,798)	-	-	-	(7,798)
<b>Balance at 31 March 2025</b>	<b>5,628,000</b>	<b>451,650</b>	<b>3,395,891</b>	<b>199,559</b>	<b>405,428</b>	<b>-</b>	<b>10,080,528</b>
Balance at 1 April 2025	5,628,000	451,650	3,395,891	199,559	405,428	-	10,080,528
Additions	-	-	-	1,324	-	-	1,324
Transfer from related party**	-	-	-	-	-	55,602	55,602
Revaluation surplus	5,072,000	-	-	-	-	-	5,072,000
Write-off*	-	-	(7,686)	-	-	-	(7,686)
<b>Balance at 31 March 2026</b>	<b>10,700,000</b>	<b>451,650</b>	<b>3,388,205</b>	<b>200,883</b>	<b>405,428</b>	<b>55,602</b>	<b>15,201,768</b>
<b>Accumulated depreciation:</b>							
Balance at 1 April 2024	-	65,202	2,055,953	163,866	341,337	-	2,626,358
Charge for the year	-	13,741	225,423	10,446	22,035	-	271,644
<b>Balance at 31 March 2025</b>	<b>-</b>	<b>78,943</b>	<b>2,281,376</b>	<b>174,312</b>	<b>363,371</b>	<b>-</b>	<b>2,898,002</b>
Balance at 1 April 2025	-	78,943	2,281,376	174,312	363,371	-	2,898,002
Charge for the year	-	9,533	241,051	11,003	25,024	-	286,611
<b>Balance at 31 March 2026</b>	<b>-</b>	<b>88,476</b>	<b>2,522,427</b>	<b>185,315</b>	<b>388,395</b>	<b>-</b>	<b>3,184,613</b>
Carrying amount:							
<b>Balance at 31 March 2026</b>	<b>10,700,000</b>	<b>363,174</b>	<b>865,778</b>	<b>15,568</b>	<b>17,033</b>	<b>55,602</b>	<b>12,017,155</b>
<b>Balance at 31 March 2025</b>	<b>5,628,000</b>	<b>372,708</b>	<b>1,114,515</b>	<b>25,247</b>	<b>42,057</b>	<b>-</b>	<b>7,182,526</b>

\* Write-off represents damaged component part(s) of items of PPE that were replaced during the year.

\*\*This relates to the transfer of double roller mills machines and accessories at cost from Port Harcourt Flour Mills.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

(b) Total depreciation charge is recognised in profit or loss as follows:	31-Mar-26	31-Mar-25
	₦'000	₦'000
Cost of sales	274,620	255,975
General and administrative expenses	11,992	15,669
	<b>286,612</b>	<b>271,644</b>

Land and building are analysed as follows:

	Land N'000	Building N'000	Total N'000
Carrying Amount			
Balance at 31 March 2026	10,700,000	363,174	11,063,174
Balance at 31 March 2025	5,628,000	372,708	6,000,708

Carrying amount that would have been recognised if land was stated at cost is N582 million (2025: N582 million).

### Pledged as security

There is no negative pledge over the Company's property, plant and equipment given in relation to the Company's borrowing (2025: there are negative pledge over the Company's property, plant and equipment given in relation to the Company's borrowing).

### Capital commitment

At 31 March 2026, the Company has no capital commitment (2025: Nil) in respect of various capital projects.

### Capital work in progress

All capital work in progress relates to the installation of the double roller mills machines and accessories transferred from Port Harcourt Flour Mills. As at year end, capital work in progress is N55.6 million (2025: Nil).

### Revaluation of land

Management determined that the land properties constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property.

### Methods and assumptions used in the valuation of land

The valuation measurement for land is determined using market-based evidence by appraisal. It is the management policy to carry out revaluation of land every three (3) years to identify any material movement, and any material differences are adjusted accordingly to ensure that the carrying value of the assets does not differ materially from the fair values determined as at the reporting date.

### Measurement of fair values

#### *Fair value hierarchy*

The valuation of land has been categorised as Level 3 fair values based on observable market sales data inputs.

# Northern Nigeria Flour Mills Plc

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The following table shows the valuation techniques used in measuring fair values as well as the valuation variables used:

Valuation techniques	Valuation variables	Inter-relationship between key valuation variables and fair value measurement
Market comparison technique was adopted for the valuation.	<p><b>Estimated land size:</b> Maimalari Road Kano - 51,696.86 hectares (2025: 51,696.86 hectares), Hotoro G.R.A Kano - 19,318.4 hectares (2025: 19,318.4 hectares), and Rising Star Compound Kano - 16,389.91 hectares (2025: 16,389.91 hectares).</p> <p><b>Estimated market price per square metre:</b> Maimalari Road Kano - N100,000 to N200,000 (2025: N50,000 to N180,000), Hotoro G.R.A Kano - N150,000 to N250,000 (2025: N50,000 to N60,000), and Rising Star Compound Kano - N50,000 to N180,000 (2025: N50,000 to N180,000).</p> <p><b>Number of lands:</b> 3 (2025: 3).</p>	The estimated valuation for land would increase/(decrease) if: a. the estimated land size were higher/(lower). b. the estimated market price per square metre were higher/(lower). c. the number of lands were higher/(lower).

The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 27 March 2026, the properties' fair values are based on independent valuations performed by Kalu O. U. (HND, MPM, ANIVS, RSV) FRC registration number FRC/2012/NIESV/0000000470 of Godwin Kalu & Co. (Estate Surveyors, Valuers & Developers) FRC registration number FRC/2023/COY/812389, who has recognised professional qualifications and experience in the location of the land. A net gain from the revaluation of the land in Nigeria of N5.07 billion was recognised in other comprehensive income (2025: Nil, as there was no revaluation exercise carried out in 2025).

The land revaluation exercise provided a revaluation surplus which is not available for distribution to the shareholders.

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## Notes to the financial statements for the year ended 31 March 2026

### 15. Loans to related parties

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Golden Penny Foods Limited	1,306,180	-
Honeywell Flour Mills Plc	2,446	-
Golden Sugar Company Limited	4	-
Flour Mills of Nigeria Free Zone Enterprise Agbara	404,679	-
	<b>1,713,309</b>	<b>-</b>

### Credit quality on long term receivables

The Company granted intercompany loans with carrying amount of N1.7 billion as at 31 March 2026 (2025: Nil). The loans relates to intercompany sales of goods and services that were converted to interest bearing loans in line with the intercompany agreement. Interest is charged based on the weighted average cost of Company's short-term facilities. The loans are expected to be repaid within one year.

The Company is faced with the risk that there might be a shortfall in the repayment of these receivables. Adequate agreements are put in place as well as ensuring that the business activities of these entities are monitored closely on a monthly basis. Although loans to related parties are subject to IFRS 9 impairment requirements, the Company has assessed the expected credit loss to be immaterial. Therefore no impairment loss allowance was recognised on the loans to related parties during the year.

### Movement in long term receivables

	31-Mar-26	31-Mar-25
	₦'000	₦'000
At 1 April	-	-
Additions during the year	1,626,412	-
Interest during the year (Note 10)	86,897	-
	<b>1,713,309</b>	<b>-</b>
Repayments in the year	-	-
<b>At 31 March</b>	<b>1,713,309</b>	<b>-</b>

### 16. (a) Inventories

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Raw and packaging materials	16,888,603	18,391,633
Goods in Transit - Raw Materials	1,387,159	781,428
Finished goods	605,007	870,429
Maintenance spares and consumables	238,527	413,296
	<b>19,119,296</b>	<b>20,456,786</b>

(b) The cost of inventories recognised as an expense (raw material consumed) during the year was N17.9 billion (2025: N28.2 billion).

(c) Reconciliation of changes in inventories included in the statement of cash flows

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Closing balance	(19,119,296)	(20,456,786)
Opening balance	20,456,786	6,255,015
Change in inventory	<b>1,337,490</b>	<b>(14,201,771)</b>

(d) During the year, there was no inventory write-down recognised in profit or loss (2025: Nil)

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## Notes to the financial statements for the year ended 31 March 2026

### 17. Trade and other receivables

		31-Mar-26	31-Mar-25
		₦'000	₦'000
Trade receivables - third parties		563,248	750,716
Other receivables due from related parties	Note 31	8,052,239	263,335
Other receivables**		10,697	12,964
Employee receivables		21,101	26,417
Credit loss allowance for trade receivables	Note 17(a)	(29,276)	(48,747)
Trade and other receivables at amortised cost		8,618,009	1,004,685
Withholding tax receivables		13,549	1,039
<b>Total trade and other receivables</b>		<b>8,631,558</b>	<b>1,005,724</b>

\*\* Other receivables represent cash in the custody of Atlas Registrar N10.7 million (2025: N12.96 million) with respect to unclaimed dividends that is yet to be invested in fixed income securities through an investment manager.

### 17(a). Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due. Trade receivable relates to sale to customers within Nigeria.

Before granting a new customer credit, the Company initially trades with the customer on a cash basis to assess the customer's creditworthiness and also determine the customer's transaction volume. This enables a reasonable credit limit to be set. Once these are determined, the customer is then allowed to apply for a credit facility from the Company through a rigorous process with several levels of approval.

Credit sales form a small portion of overall sales. Other than the amount due from related parties, the concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Company has pledged no trade receivables during the year.

	31-Mar-26	31-Mar-25
	₦'000	₦'000
At 1 April	48,747	27,656
Impairment (reversal)/ charge on trade and other receivables	(19,471)	21,091
At 31 March	<b>29,276</b>	<b>48,747</b>

In determining the recoverability of the trade receivables, management considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the directors believe that there is no further impairment required in excess of the allowance for doubtful debts already recognised.

### 31-Mar-26

#### Trade receivables - third parties

Ageing group	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		₦'000	₦'000	₦'000
1 - 30 days	3.71%	168,443	(6,258)	162,185
31 - 60 days	4.98%	394,805	(19,670)	375,135
		<b>563,248</b>	<b>(25,928)</b>	<b>537,320</b>

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Other receivables due from related parties

Ageing group	Weighted average loss rate	Gross carrying amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
1 - 30 days past due	0%	919,148	-	919,148
31 - 60 days past due	0%	-	-	-
61 - 180 days past due	0%	7,132,956	-	7,132,956
180 - 365 days past due	100%	135	(135)	-
		<b>8,052,239</b>	<b>(135)</b>	<b>8,052,104</b>

### Employee receivables

Ageing group	Weighted average loss rate	Gross carrying amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
0 - 30 days	0%	2,223	-	2,223
31 - 60 days	0%	2,197	-	2,197
61 - 90 days	0%	12,475	-	12,475
91 - 180 days	0%	399	-	399
181 - 365 days	0%	307	-	307
Above 365 days	92%	3,500	(3,213)	287
		<b>21,101</b>	<b>(3,213)</b>	<b>17,888</b>

### 31-Mar-25

### Trade receivables - third parties

Ageing group	Weighted average loss rate	Gross carrying amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
1 - 30 days	4.63%	494,697	(22,880)	471,818
31 - 60 days	8.80%	256,019	(22,519)	233,500
		<b>750,716</b>	<b>(45,399)</b>	<b>705,318</b>

### Other receivables due from related parties

Ageing group	Weighted average loss rate	Gross carrying amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
1 - 30 days past due	0%	30,433	-	30,433
31 - 60 days past due	0%	-	-	-
61 - 180 days past due	0%	232,767	-	232,767
180 - 365 days past due	100%	135	(135)	-
		<b>263,335</b>	<b>(135)</b>	<b>263,200</b>

### Employee receivables

Ageing group	Weighted average loss rate	Gross carrying amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
0 - 30 days	0%	2,783	-	2,783
31 - 60 days	0%	2,750	-	2,750
61 - 90 days	0%	16,500	-	16,500
91 - 180 days	0%	500	-	500
181 - 365 days	0%	384	-	384
Above 365 days	92%	3,500	(3,213)	287
		<b>26,417</b>	<b>(3,213)</b>	<b>23,204</b>

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the immaterial impact of discounting as a consequence of their short term nature. Accordingly, no further fair value information is presented.

### 17(b). Reconciliation of changes in trade and other receivables included in the statement of cash flows

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Closing balance	(8,631,558)	(1,005,724)
Opening balance	1,005,724	1,046,773
Reclassification to loans to related parties (Note 15)	(1,626,412)	-
	<b>(9,252,246)</b>	<b>41,049</b>

### 18. Prepayments

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Long term prepayment	276	2,332
Short term prepayment	76,364	940,672
	<b>76,640</b>	<b>943,004</b>

### Broken down as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Prepaid IT expenses	2,533	6,885
Prepaid insurance premium	38,087	31,237
Prepaid employee benefits***	4,900	21,970
Other prepaid expenses	1,333	102
Advance payment to suppliers	29,787	882,810
	<b>76,640</b>	<b>943,004</b>

\*\*\*Prepaid employee benefits relates to staff allowances paid upfront and amortised monthly.

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Analysed into:		
Non-current	276	2,332
Current	76,364	940,672
	<b>76,640</b>	<b>943,004</b>

### Reconciliation of changes in prepayment included in the statement of cash flows.

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Closing balance	(76,640)	(943,004)
Opening balance	943,004	109,493
	<b>866,364</b>	<b>(833,511)</b>

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### 19. Investment

Investment represents a portion of unclaimed dividend which the Company has invested in fixed income securities through an investment manager, in line with the requirements of the Securities and Exchange Commission that unpaid dividends be invested in an interest bearing instrument with an investment manager. This amount is restricted from use by the Company, and are usually rolled over upon maturity. The investment is for one year with an interest rate of 16.86% (2025: 6 months with an interest rate of 19.6%) per annum.

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Investment</b>		
<b>At 1 April</b>	80,731	61,435
Addition during the year	-	7,241
Disposal during the year	(2,747)	-
Interest income	1,529	12,055
	Note 10	
<b>At 31 March</b>	<b>79,513</b>	<b>80,731</b>

#### Reconciliation of changes in investment included in the statement of cash flows.

Balance at 31 March 2025	(79,513)	(80,731)
Balance at 1 April 2024	80,731	61,435
<b>Movement during the year</b>	<b>1,218</b>	<b>(19,296)</b>

The interest earned on the investment for the year was reinvested.

### 20. Cash and cash equivalents

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Cash and cash equivalents consist of:		
Cash on hand	831	660
Bank balances	1,535,675	879,506
	1,536,506	880,166
<b>Cash and cash equivalents per statement of financial position and cash flows</b>	<b>1,536,506</b>	<b>880,166</b>

Cash and cash equivalents comprise cash and bank balances. The carrying amounts of these assets approximate their fair values due to their short term nature. See note 33 for additional information on exposure to credit and currency risk.

### 21. Share capital and share premium

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Issued and fully paid share capital</b>		
178,200,000 (2025: 178,200,000) ordinary shares of 50 kobo each	89,100	89,100
Share premium	89,521	89,521
	<b>178,621</b>	<b>178,621</b>

### 22. Borrowings

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Unsecured borrowings</b>		
Intragroup loans (c)	15,023,435	-
	<b>15,023,435</b>	<b>-</b>
<b>Analysed into:</b>		
Non-current portion	-	-
Current portion	15,023,435	-
	<b>15,023,435</b>	<b>-</b>

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Loan movement

	31-Mar-26	31-Mar-25
	₦'000	₦'000
At 1 April	-	45,736
Reclassification from intercompany payables	14,717,291	-
Accrued interest (Note 11)	306,144	13,790
Principal repayment	-	(54,593)
Payment of interest	-	(4,932)
<b>At 31 March</b>	<b>15,023,435</b>	<b>-</b>

### Details of Borrowings

a. In prior year, the Commercial Agricultural Credit Scheme (CACS) loan is guaranteed by a negative pledge on the Company's assets.

b. In prior year, the Bank of Industry (BOI) loans were obtained at below market interest rates and were hence recorded at their fair value at inception using the appropriate market rate at date of drawdown. Due to the nature of the lending and the providers, the benefit of the below market rate has been treated as government grants and included in deferred revenue (Note 24).

31-Mar-2025	Currency	Nominal interest rate	Maturity	Carrying amount ₦'000	Fair value ₦'000
Bank of Industry loan 1	Naira	12%	2025	-	-
				<u>-</u>	<u>-</u>

c. During the year, intercompany payables outstanding for more than 30 days are reclassified on a non-cash basis to interest-bearing loans in accordance with the terms of the intercompany agreement. Interest on these loans is charged at the weighted average cost of the Company's short-term facilities' interest rate, as advised by the lender. These loans are classified as current liabilities and are expected to be repaid within one year.

### 23. Employee benefits obligation

Retirement benefits obligations	Note 23(a)	182,212	214,403
Long service awards	Note 23(b)	56,227	44,263
		<u>238,439</u>	<u>258,666</u>

#### 23(a). Retirement benefits obligations

##### Defined benefit plan

The Company operates unfunded defined benefit plans for qualifying employees of the Company. Under the plans, the employees are entitled to retirement benefits on attainment of a retirement age ranging from 50 to 60 years.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March 2026 by Takalani Sikhavhakhavha (Associate Director) FRC/2023/PRO/NAS/004/802144 of Deloitte & Touche FRC/2022/coy/091021. The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

Amounts recognised in the financial statements in respect of the defined benefit scheme are as follows:

	<b>31-Mar-26</b>	<b>31-Mar-25</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Carrying value</b>		
Present value of the defined benefit obligation - wholly unfunded	182,212	214,403
<b>Movements during the year</b>	<b>31-Mar-26</b>	<b>31-Mar-25</b>
	<b>₦'000</b>	<b>₦'000</b>
Opening balance	214,403	165,005
Net transfer (Note 25(d))*	(621)	11,939
Benefits paid during the year	(13,972)	(53,638)
Net expense recognised in profit or loss	40,698	30,874
Net expense recognised in other comprehensive income	(58,296)	60,222
	<b>182,212</b>	<b>214,403</b>
	<b>31-Mar-26</b>	<b>31-Mar-25</b>
	<b>₦'000</b>	<b>₦'000</b>
Current service cost	2,653	3,202
Interest cost	38,045	27,672
Recognised in profit or loss	40,698	30,874
Actuarial gain recognised in other comprehensive income	(58,296)	60,222
	<b>(17,598)</b>	<b>91,096</b>
	<b>31-Mar-26</b>	<b>31-Mar-25</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Actuarial gains and losses due to:</b>		
Changes in financial assumptions	12,473	17,659
Changes in demographic assumptions	-	3,916
Changes in experience	(70,769)	38,647
	<b>(58,296)</b>	<b>60,222</b>
Remeasurements gains/ (losses) of defined benefit liability	58,296	(60,222)
Related tax	(19,820)	19,873
Net remeasurements gains/ (losses) of defined benefit liability	<b>38,476</b>	<b>(40,349)</b>

\* Employees are usually transferred from one entity to another entity within the Group. Net transfer represents the accumulated liabilities of transferred employees to or (from) Northern Nigeria Flour Mills Plc from or (to) other entities within the Group. The accumulated liabilities will be transferred through intercompany payable/receivable, such that when the employee exit that Group finally through the Company, the Company will be able to settle the retirement benefit obligation for all the years spent within the Group.

### Key financial assumptions used

	<b>31-Mar-26</b>	<b>31-Mar-25</b>
Discount rates (per annum)	16.07%	17.64%
Average rate of inflation (per annum)	18.65%	17.24%
Expected increase in salaries (per annum)	16.00%	16.00%
Interest credit (per annum)	8.00%	8.00%
Average duration of the plan (years)	4.52	4.52

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Demographic assumptions

#### Mortality and withdrawal from 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 due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Withdrawal from Service (Age band)	Withdrawal from Service (Rate)
25	7	<=30	5.0%
30	7	31 - 39	3.0%
35	9	40 - 44	2.0%
40	14	45 - 50	1.5%
45	26	51 - 55	1.1%
		56 - 59	0.0%

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

2026		N '000
Base		182,212
Discount rate	+1%	171,538
	-1%	194,303
Salary increase	+1%	193,600
	-1%	170,824
Mortality experience	Age rated up by 1 year	184,034
	Age rated down by 1 year	180,390
2025		N '000
Base		214,403
Discount rate	+1%	208,237
	-1%	221,166
Salary increase	+1%	221,205
	-1%	208,102
Mortality experience	Age rated up by 1 year	216,292
	Age rated down by 1 year	212,477

#### 23(b). Long service award

The Company operates a long service award scheme where employees are rewarded after a specific number of years in service. Employees are entitled to the benefits after being in service for 10, 15, 20, 25, 30 and 35 years. The amounts and items given are based on the number of years in service.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March 2026 by Takalani Sikhavhakhavha FRC/2023/PRO/NAS/004/802144 of Deloitte & Touche FRC/2022/COY/091021. The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Carrying value

The amount included in the statement of financial position arising from the Company's obligations in respect of its long service awards is as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Long service awards	56,227	44,263

### Movements in the account during the year were as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
At beginning of the year	44,263	33,305
Net transfer*	968	2,677
Net expense recognised in profit or loss	13,397	12,460
Benefits paid during the year	(2,401)	(4,179)
<b>At the end of the year</b>	<b>56,227</b>	<b>44,263</b>

### Net expense recognised in profit or loss

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Current service cost	3,581	3,152
Interest cost	8,268	6,486
Actuarial losses	1,548	2,823
	<b>13,397</b>	<b>12,460</b>

### Actuarial gains and losses on long service awards are analysed as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Changes in economic assumption	8,633	366
Changes in demographic assumption	-	(54)
Changes in experience adjustment	(7,085)	2,511
<b>Net movement recognised in profit or loss for the year</b>	<b>1,548</b>	<b>2,823</b>

\* Employees are usually transferred from one entity to another entity within the Group. Net transfer represents the accumulated liabilities of transferred employees to or (from) Northern Nigeria Flour Mills Plc from or (to) other entities within the Group. The accumulated liabilities will be transferred through intercompany payable/receivable, such that when the employee meets the milestone for long service award, the Company will be able to settle the obligation for the milestone reached within the Group.

### Key financial assumptions used

The principal assumptions for the purpose of the actuarial valuations were as follows:

	Valuation at	
	31-Mar-2026	31-Mar-2025
Discount rate (per annum)	15.31%	19.05%
Expected rate(s) of salary increases (per annum)	16.00%	16.00%
Average rate of inflation (per annum)	18.65%	17.24%
Benefit inflation rate (per annum)	6.50%	6.50%
Average duration of the plan (years)	5.11	5.11

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Demographic assumptions

#### Mortality and withdrawal from 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 due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000	Withdrawal from Service	Withdrawal from Service
25	7	<=30	5.0%
30	7	31 - 39	3.0%
35	9	40 - 44	2.0%
40	14	45 - 50	1.5%
45	26	51 - 55	1.1%
		56 - 59	0.0%

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the long service awards by the amount shown below:

		N'000	
<b>2026</b>			
Base		56,227	
Discount rate	+0.5%	54,894	
	-0.5%	57,626	
Salary increase rate	+0.5%	57,409	
	-0.5%	55,093	
Benefit escalation rate	+0.5%	56,448	
	-0.5%	56,014	
Mortality experience	Age rated up by 1 year	55,896	
	Age rated down by 1 year	56,550	
<b>2025</b>			
Base		44,263	
Discount rate	+0.5%	44,171	
	-0.5%	44,357	
Salary increase rate	+0.5%	45,082	
	-0.5%	43,471	
Benefit escalation rate	+0.5%	44,425	
	-0.5%	44,108	
Mortality experience	Age rated up by 1 year	44,008	
	Age rated down by 1 year	44,479	
		<b>31-Mar-26</b>	<b>31-Mar-25</b>
<b>24. Deferred (Grant) income</b>		<b>₦'000</b>	<b>₦'000</b>
Non-current liabilities		-	-
Current liabilities		-	-
		<b>31-Mar-26</b>	<b>31-Mar-25</b>
		<b>₦'000</b>	<b>₦'000</b>
Opening balance		-	3,266
Release of deferred income from government grant		-	(3,266)
<b>Closing balance</b>		<b>-</b>	<b>-</b>

In 2025, the deferred income represents government grants arising from the benefit received from below-market-interest rate government assisted loans (BOI and CACS loans) granted (Note 22). The income was recognised in profit or loss over the tenor of the loan on a systematic basis. See Notes 7 and 22. This was fully extinguished in 2025.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 25. (a) Trade and other payables

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Financial instruments:</b>		
Trade payables - third parties	35,158	192,325
Other payables due to related parties	10,638,725	16,579,890
Payroll payables**	40,669	220,504
Other accrued expenses	602,576	148,380
	11,317,128	17,141,099
<b>Non-financial instruments:</b>		
Statutory payables	14,673	101,684
Non-CIT taxes provision***	491,214	837,589
Pension payable (Note 25(c))	52,279	40,611
	11,875,294	18,120,983
<b>Analysed as:</b>		
Non-current	-	-
Current	11,875,294	18,120,983

\*\* Payroll payables represents accruals for 13th month bonus; year-end and performance bonuses

\*\*\* Non-CIT tax provision represents provision for the maximum exposure for open tax audit regarding non-company income taxes like VAT; WHT; PAYE etc

The Company has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

### (b) Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to the immaterial impact of discounting as a consequence of their short term nature.

### (c) Pension payable

The employees of the Company are members of a government approved Pension scheme (Pension Reform Act, 2014) which is managed by several private sector service providers. The Company and employees are required to contribute 10% and 8% respectively of the employees basic salaries, housing and transport allowances to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Movement in pension payable</b>		
Opening balance	40,611	19,947
Employees' contribution	12,493	18,837
Employer's contribution	15,617	23,781
Remittances	(16,442)	(21,954)
<b>Closing Balance (Note 25 (a))</b>	<b>52,279</b>	<b>40,611</b>

### (d). Changes in trade and other payables per statement of cash flow

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Trade payables as at year end	11,875,294	18,120,983
Trade payables as at 1 April	(18,120,983)	(6,755,375)
Reclassification to borrowings (Note 22)	14,717,291	-
Net transfer on gratuity (Note 23)	(621)	11,939
Net transfer on Long Service Award (Note 23)	968	2,677
Transfer of property, plant and equipment from related party (Note 14)	(55,602)	-
	<b>8,416,347</b>	<b>11,380,224</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 26. Dividend payable

	31-Mar-26	31-Mar-25
	₦'000	₦'000
At 1 April	47,152	39,172
Declared during the year	44,550	89,100
Payment during the year	(39,542)	(72,214)
WHT remittance during the year	(4,455)	(8,906)
<b>At 31 March</b>	<b>47,705</b>	<b>47,152</b>
<b>Analysed as follows:</b>		
Current	47,705	47,152
	<b>47,705</b>	<b>47,152</b>

### Analysed as follows:

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Cash with registrar (Note 17)	10,697	12,964
Unclaimed dividend invested	37,008	34,188
	<b>47,705</b>	<b>47,152</b>

The Directors did not recommend any dividend during the year (2025: N44.55million representing a dividend of N0.25 per ordinary share of 50 kobo each). The payment of N44.55million dividend during the year relates to the dividend declared in the prior year.

### 27. Contract liabilities

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Advance payment by customers for goods to be supplied (contract liabilities)	343,934	417,339
<b>Movement</b>		
Balance at 1 April	417,339	1,236,425
Advance payment received during the year	8,043,937	14,435,646
Amount recognised as revenue during the year	(9,322,619)	(15,312,819)
Discount and rebate granted during the year	1,205,277	58,087
Balance at 31 March	<b>343,934</b>	<b>417,339</b>

### (a). Changes in customer deposits per statement of cash flow

Closing balance	343,934	417,339
Opening balance	(417,339)	(1,236,426)
	<b>(73,405)</b>	<b>(819,087)</b>

### 28. Earnings per share

#### Basic earnings per share

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

	31-Mar-26	31-Mar-25
	₦'000	₦'000
<b>Reconciliation of profit for the year to earnings per share</b>		
Profit for the year attributable to equity holders of the parent	25,604	1,745,076
Weighted average number of shares ('000)	178,200	178,200
<b>Basic earnings per share</b>		
Kobo per share	14	979

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### Diluted earnings per share (kobo)

In the determination of diluted earnings per share, profit or loss attributable to the equity holders and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

	31-Mar-26 ₦'000	31-Mar-25 ₦'000
<b>Reconciliation of profit for the year to earnings per share</b>		
Profit for the year attributable to equity holders of the parent	25,604	1,745,076
Weighted average number of shares ('000)	178,200	178,200
<b>Diluted earnings per share</b>		
From continuing operations (kobo per share)	14	979

### 29. Employee information

	31-Mar-26 ₦'000	31-Mar-25 ₦'000
<b>Employee costs</b>		
Salaries, wages and other benefits	885,362	941,596
Pensions (Note 25)	15,617	23,781
Long service awards (Note 23)	13,397	12,460
Gratuity (Note 23)	40,698	30,874
	<b>955,074</b>	<b>1,008,711</b>

	31-Mar-26 ₦'000	31-Mar-25 ₦'000
<b>Total employee costs recognised in profit or loss</b>		
Cost of sales (Note 6)	263,378	277,976
General and administrative expenses (Note 9(a))	622,877	705,856
Selling and distribution expenses (Note 8)	68,819	24,879
	<b>955,074</b>	<b>1,008,711</b>

### Average number of persons employed as at year end

Managerial	4	3
Non-managerial staff	43	41
	<b>47</b>	<b>44</b>

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

N1,000,000 - N2,000,000	7	8
N2,000,001 - N3,000,000	16	21
N3,000,001 - N4,000,000	11	5
N4,000,001 - N5,000,000	3	1
N5,000,001 and above	10	9
	<b>47</b>	<b>44</b>

### 30. Categories of financial instruments

	31-Mar-26 ₦'000	31-Mar-25 ₦'000
<b>Non- derivative financial assets at amortised cost</b>		
Cash and cash equivalents (Note 20)	1,536,506	880,166
Trade and other receivables (Note 17)	8,631,558	1,005,724
Investment (Note 19)	79,513	80,731
Loans to related parties (Note 15)	1,713,309	-
	<b>11,960,886</b>	<b>1,966,621</b>

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Financial liabilities at amortised cost

	31-Mar-26	31-Mar-25
	₦'000	₦'000
Borrowings (Note 22)	15,023,435	-
Trade and other payables (excluding statutory deductions) (Note 25)	11,317,128	17,141,098
Dividend payable (Note 26)	47,705	47,152
	<b>26,388,268</b>	<b>17,188,250</b>

### 31. Related party transactions

#### Relationships

Parent Company Golden Penny Foods Limited (formerly Flour Mills of Nigeria Plc)

Name of related party	Nature of relationship	Nature of transaction
Honeywell Flour Mills Plc	Fellow subsidiary	Purchase of flour products
Apapa Bulk Terminal Limited	Related party	Port Operations
Golden Sugar Company Nigeria Limited	Related party	Purchase of packaging materials
Flour Mills of Nigeria Free Zone Enterprise Apapa	Fellow subsidiary	Flour Milling
Flour Mills of Nigeria Free Zone Enterprise Agbara	Fellow subsidiary	Flour Milling
Premier Feed Mills Company Limited	Related party	Purchase of packaging materials
Nigerian Eagle Flour Mills Limited	Fellow subsidiary	Purchase of packaging materials
Bagco Packaging Solutions Limited	Related party	Packaging
Golden Penny Power Limited	Related party	Power generation
FMN Holdings Limited	Related party	Support services
FMN Agro Limited	Related party	Sale of agricultural products
Golden Fertilizer Company Limited	Related party	Sale of agricultural products
Port Harcourt Flour Mills Limited	Fellow subsidiary	Flour Milling

#### Related party balances

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Trade and other receivables</b>		
Golden Penny Foods Limited	7,218,226	-
Premier Feed Mills Company Limited	221,850	220,596
Honeywell Flour Mills Plc	-	42,604
Flour Mills of Nigeria Free Zone Enterprise Agbara	607,420	-
Bagco Packaging Solutions Limited	3,063	-
Golden Sugar Company Nigeria Limited	1,680	135
<b>Other receivables due from related parties (Note 17)</b>	<b>8,052,239</b>	<b>263,335</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Trade and other payables</b>		
Golden Penny Foods Limited	-	8,384,632
Bago Packaging Solutions Limited	-	292,639
Golden Fertilizer Company	5,833	15,156
Golden Sugar Company Nigeria Limited	-	2,860,000
Flour Mills of Nigeria Free Zone Enterprise Apapa	7,396,227	5,003,781
Nigerian Eagle Flour Mills Limited	3,128,558	23,682
FMN Holdings Limited	38,087	-
FMN Agro Limited	4,890	-
Golden Penny Power Limited	5,443	-
Port Harcourt Flour Mills Limited	55,602	-
Honeywell Flour Mills Plc	4,085	-
<b>Other payables due to related parties (Note 25)</b>	<b>10,638,725</b>	<b>16,579,890</b>

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are outstanding balances that are to be settled on call. None of the balances is secured. No expense has been recognised in the current year or prior year for bad debt in respect of amount owed by related parties.

### Loans to related parties (Note 15)

<b>1,713,309</b>	<b>-</b>
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### Loans from related parties

	31-Mar-26	31-Mar-25
	₦'000	N'000
Bago Packaging Solutions Limited	64,544	-
Honeywell Flour Mills Plc	433,904	-
Flour Mills of Nigeria Free Zone Enterprise Apapa	14,045,039	-
Golden Penny Power Limited	401,416	-
FMN Holdings Limited	78,532	-
<b>Loans from related parties (Note 22)</b>	<b>15,023,435</b>	<b>-</b>

Loans to and from related parties relates to related parties receivables and payables that are outstanding for more than 30 days, and has been reclassified on a non-cash basis to interest-bearing loans in accordance with the terms of the intercompany agreement. Interest on these loans is charged at the weighted average cost of the Company's short-term facilities' interest rate, as advised by the lender. These loans are expected to be settled within one year.

The following are other transactions carried out with related parties during the year:

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Purchase of goods and services</b>		
Golden Penny Foods Limited	-	3,780,202
Bago Packaging Solutions Limited	-	774,605
Golden Fertilizer Company Limited	-	91,275
Flour Mills of Nigeria Free Zone Enterprise Apapa	107,105	8,739,224
	<b>107,105</b>	<b>13,385,306</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Sale of goods and services</b>		
Golden Penny Foods Limited	-	4,152,769
Honeywell Flour Mills Limited	-	330,000
Flour Mills of Nigeria Free Zone Enterprise Apapa	144,000	-
Flour Mills of Nigeria Free Zone Enterprise Agbara	1,466,944	-
Bagco Packaging Solutions Limited	76,783	-
Premier Feed Mills Company Limited	81,176	94,025
	<b>1,768,903</b>	<b>4,576,794</b>

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Interest expense</b>		
Golden Penny Foods Limited	4,176	-
Golden Fertilizer Company Limited	2	-
Golden Sugar Company Nigeria Limited	300,420	-
Golden Penny Power Limited	1,546	-
	<b>306,144</b>	<b>-</b>

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Interest income</b>		
Golden Penny Foods Limited	51,672	-
Flour Mills of Nigeria Free Zone Enterprise Agbara	16,970	-
Golden Sugar Company Nigeria Limited	9	-
Golden Penny Power Limited	3,370	-
Honeywell Flour Mills Plc	269	-
Premier Feed Mills Company Limited	14,607	-
	<b>86,897</b>	<b>-</b>

Related party transactions disclosed are inclusive of the relevant Value Added Tax applicable on the transactions.

In prior years, Northern Nigeria Flour Mills Plc (NNFM) entered into an agreement with Premier Feed Mills Limited (PFM) for transfer and replacement of 4,146.86 tonnes of maize, a related party as defined by IAS 24 due to common control. As part of this arrangement, PFM returned 440.77 tonnes at N220,000 per metric tonne. An outstanding balance of 3,706.09 tonnes of maize was not returned from the original 4,146.86 tonnes loaned by NNFM to PFM. On 18 July 2024, both parties agreed that the outstanding quantity of 3,706.09 tonnes would be settled in cash at a rate of N650,000 per metric tonne. The transaction was undertaken to support PFM's inventory requirements during a period of inventory shortage. This is a one-off transaction, and it is not applicable in the current year.

### Group overhead allocation

During the year, the Company was allocated a proportionate share of group overhead costs from FMN Holdings Limited. These costs mainly relate to administrative services, management fees, and IT support. The total amount allocated to the Company for the year was N402.7 million (2025: N218 million). The allocation of overheads is based on the relative headcount and usage metrics of each entity in the group. These transactions are conducted at cost with a mark-up of 6.5%, and are intended to reflect the fair sharing of central services and management support.

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Compensation of key management personnel</b>		
Short term benefits	46,372	74,332
Long term benefits (Pension) Defined contribution plan	4,178	3,250
Gratuity	22,311	8,380
	<b>72,861</b>	<b>85,962</b>

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 32. Directors' emoluments

The members of the executive management team and all directors are considered to be the key management personnel of the Company.

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>The remuneration paid to Directors was:</b>		
Fees	16,000	20,000
Salaries and other emoluments	79,618	29,400
	<b>95,618</b>	<b>49,400</b>

	31-Mar-26	31-Mar-25
	₦'000	N'000
<b>Fees and other emoluments disclosed above include amount paid to:</b>		
Chairman	7,904	-
Other directors	87,714	49,400
	<b>95,618</b>	<b>49,400</b>

The number of Directors excluding the Chairman whose emoluments (excluding certain benefits) were within the following ranges:

	31-Mar-26	31-Mar-25
Range		
1-5,000,000	11	10
5,000,001-25,000,000	1	1
	<b>12</b>	<b>11</b>
<b>In thousands of Naira</b>		
Highest paid Director received	10,080	8,000

The Chairman did not receive any remuneration during the year (2025: Nil).

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 33. Financial instruments and risk management

#### Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital through the optimisation of the net debt to equity ratio. The overall strategy remains unchanged from the previous year.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 22 and equity as disclosed in the statement of financial position.

The management of the Company reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limits.

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

#### Ratios

The capital structure and gearing ratio of the select entity at the reporting date was as follows:

		<u>31-Mar-26</u>	<u>31-Mar-25</u>
		<u>N'000</u>	<u>N'000</u>
Borrowings	22	15,023,435	-
Cash and cash equivalents	20	<u>(1,536,506)</u>	<u>(880,166)</u>
<b>Net Debt</b>		<b>13,486,929</b>	<b>(880,166)</b>
Equity		12,141,950	9,693,366
Gearing ratio		111%	(9%)

#### Financial risk management

##### Overview

The Company is exposed to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk and
- Market risk(currency risk, interest rate risk and price risk)

Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is an integral part of the way the Company is managed. The Board of Directors establishes the Company's financial policies and the Managing Director establishes objectives in line with these policies.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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The risk management activities are supervised by the Internal Audit Department of the parent company, Golden Penny Foods Limited, and they provide an independent assurance of the risk framework. The Internal Audit assesses compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

### 33.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and credit limits are set, where appropriate as a means of mitigating the risk of financial loss from default. Credit exposure is controlled by counterparty's limits that are reviewed and approved annually by Management.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers financial assets to be in default when:

- the debtor is not likely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

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### Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company has assessed the expected credit loss on fixed income securities to be immaterial, therefore no impairment loss allowance was recognised during the year.

### Trade and other receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of counterparties to assess recoverability of amounts due. See Note 17.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances. Credit risk is managed on a group basis. Loss rates are calculated using a historical default method based on the probability of a receivable progressing through stages of delinquency to write-off.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions counterparties, which are rated by established rating agencies.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposure. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company continuously assesses the recoverability of these receivables. When the assessment reveals an indication of crystallisation of a credit risk, the Company recognises an impairment loss provision based on its assessment of the expected credit loss for these receivables.

The maximum exposure to credit risk is presented in the table below:

	31-Mar-2026			31-Mar-2025		
	Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
	N'000	N'000	N'000	N'000	N'000	N'000
Loans to related parties (Note 15)	1,713,309	-	1,713,309	-	-	-
Trade receivables (Note 17)	563,248	(25,928)	537,320	750,716	(45,399)	705,317
Other receivables due from related parties (Note 17)	8,052,239	(135)	8,052,104	263,335	(135)	263,200
Other receivables (Note 17)	10,697	-	10,697	12,964	-	12,964
Employee receivables (Note 17)	21,101	(3,213)	17,888	26,417	(3,213)	23,204
Bank balances (Note 20)	1,535,675	-	1,535,675	879,506	-	879,506
Investment (Note 19)	79,513	-	79,513	80,731	-	80,731
	<b>11,975,782</b>	<b>(29,276)</b>	<b>11,946,506</b>	<b>2,013,669</b>	<b>(48,747)</b>	<b>1,964,922</b>

The amount of cash and cash equivalents and investments disclosed in the table above represents the Company's maximum credit exposure on these assets. The cash and cash equivalents are held with banks and financial institution counterparties, which are reputable and have a sound financial position.

The Company's investments in fixed income securities are carried at amortised cost, and the expected credit loss has been assessed to be immaterial, therefore no impairment loss allowance was recognised during the year.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Notes to the financial statements for the year ended 31 March 2026

### 33.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

### Maturity analysis of financial liabilities

The maturity profile of contractual cash flows of non-derivative financial liabilities, are presented in the following table. The cash flows are undiscounted contractual amounts.

2026	Contractual cash flows					
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years
	N'000	N'000	N'000	N'000	N'000	N'000
Trade and other payables (excluding statutory deductions)	11,317,128	11,317,128	-	11,317,128	-	-
Borrowings	15,023,435	17,877,888	-	17,877,888	-	-
Unclaimed dividend	47,705	47,705	-	47,705	-	-
	26,388,268	29,242,721	-	29,242,721	-	-

2025	Contractual cash flows					
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years
	N'000	N'000	N'000	N'000	N'000	N'000
Trade and other payables (excluding statutory deductions)	17,141,098	17,141,098	-	17,141,098	-	-
Unclaimed dividend	47,152	47,152	-	47,152	-	-
	17,188,250	17,188,250	-	17,188,250	-	-

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### 33.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices. The Company negotiates long term credit facilities and obtains subsidised loans from the Government in order to reduce the risk associated with high cost of borrowing. The Company also takes advantage of the Central Bank of Nigeria intervention funds and grants from the Federal Government at below market rate in order to mitigate this risk.

The Company's activities expose it primarily to financial risks of changes in foreign currency exchange rates and interest rates. Market risks exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

#### 33.3.1 Foreign currency risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary.

The Company is mainly exposed to fluctuations in the exchange rate of the American Dollar (USD).

Effective NAFEX closing rate as at 31 March 2026 is N1,386.71/US Dollar (2025: N1,541.67/US Dollar). Average rate for the year is N1,502.26/US Dollar (2025: N1,425.53/US Dollar).

#### Foreign currency exposure at the end of the reporting period

The net carrying amounts, in Naira, of the exposure to the American Dollar. The amounts have been presented in Naira by converting the foreign currency amounts at the closing rate at the reporting date:

	31-Mar-26	31-Mar-25
	USD	USD
Cash and cash equivalent	4,012	4,012

#### Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10%, increase and decrease in the value of Naira against USD. Management believes that a 10% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 10% against the USD. For a 10% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

	31-Mar-2026	31-Mar-2026	31-Mar-2025	31-Mar-2025
Increase or decrease in rate	Increase N'000	Decrease N'000	Increase N'000	Decrease N'000
Impact on profit or loss:				
Naira changes by 10% (2025: 10 %)	556	(556)	619	(619)

#### 33.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Company's interest rate risk arises from loans from related parties. This exposes the Group to cash flow interest rate risk. The Company's policy on managing interest rate risk is to negotiate favorable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

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### Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

If interest rates had been 100 basis points (i.e. 1%) higher/lower and all other variables were held constant, the Company's profit or loss will be affected as follows:

Increase or decrease in rate	31-Mar-2026	31-Mar-2026	31-Mar-2025	31-Mar-2025
	Increase N'000	Decrease N'000	Increase N'000	Decrease N'000
Impact on profit or loss:				
Borrowings	(150,234)	150,234	-	-

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### 34. Fair value information

#### Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
In thousands of Naira	Note	Financial assets	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
		measured at amortised cost	measured at amortised cost					
<b>31-Mar-26</b>								
<b>Financial assets measured at amortised cost</b>								
Loans to related parties	15	1,713,309	-	1,713,309	-	-	-	-
Trade and other receivables	17	8,631,558	-	8,631,558	-	-	-	-
Short term investment	19	79,513	-	79,513	-	-	-	-
Cash and cash equivalents	20	1,536,506	-	1,536,506	-	-	-	-
		11,960,886	-	11,960,886	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Unsecured loans	22	-	(15,023,435)	(15,023,435)	-	(15,023,435)	-	(15,023,435)
Trade and other payables (excluding statutory deductions)	25	-	(11,317,128)	(11,317,128)	-	-	-	-
		-	(26,340,563)	(26,340,563)	-	(15,023,435)	-	(15,023,435)
<b>31-Mar-25</b>								
<b>Financial assets measured at amortised cost</b>								
Trade and other receivables	17	1,005,724	-	1,005,724	-	-	-	-
Short term investment	19	80,731	-	80,731	-	-	-	-
Cash and cash equivalents	20	880,166	-	880,166	-	-	-	-
		1,966,621	-	1,966,621	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables (excluding statutory deductions)	25	-	(17,141,099)	(17,141,099)	-	-	-	-
		-	(17,141,099)	(17,141,099)	-	-	-	-

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

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### Fair value hierarchy

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximises the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years. The discount rate used to determine the fair value of loans is nil, as there are no loans and borrowings during the year (2025 :21%).

Financial instruments in Level 3.

The fair value is based on unobservable inputs. The Company has no level 3 financial assets or financial liabilities as at the reporting date.

### 35. Contingencies

The Company has no contingent liability arising from pending or ongoing litigation at the year end.

# Northern Nigeria Flour Mills Plc

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## Notes to the financial statements for the year ended 31 March 2026

### 36. Commitments

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

### 37. Events after the reporting period

There are no significant events after the reporting date which could have had a material effect on the financial position and the loss for the year ended on that date, which have not been adequately provided for or disclosed in the Company's financial statements.

### 38. Revaluation reserve

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	N'000	N'000
At 1 April	5,046,057	5,046,057
Revaluation surplus during the year	5,072,000	-
Deferred tax impact	(2,642,946)	-
Net revaluation surplus during the year	<u>2,429,054</u>	<u>-</u>
<b>At 31 March</b>	<b><u>7,475,111</u></b>	<b><u>5,046,057</u></b>

Management determined that the land properties constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined using the market comparable method. There was gain from the revaluation of the land in the current year amount to N5.07 billion (2025: Nil).

The revaluation surplus is not available for distribution to the shareholders. It is the management policy to carry out revaluation of land every three (3) years.

## **Other national disclosures**

# Northern Nigeria Flour Mills Plc

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## Value Added Statement

	31 Mar 2026		31 Mar 2025	
	₦'000	%	₦'000	%
Revenue	21,547,326		35,392,448	
Finance income	89,827		12,715	
Other operating income	300,940		138,358	
Bought in materials and services:				
- Local	(20,260,898)		(31,273,154)	
<b>Total Value Added</b>	<b>1,677,196</b>	<b>100%</b>	<b>4,270,367</b>	<b>100%</b>
<b>Value Distributed</b>				
<b>To Pay Employees:</b>				
Salaries, wages, medical and other benefits	955,074		1,008,711	
	<b>955,074</b>	<b>57%</b>	<b>1,008,711</b>	<b>24%</b>
<b>To Pay Providers of Capital:</b>				
Dividend declared	44,550		89,100	
Finance costs	306,158		13,851	
	<b>350,708</b>	<b>21%</b>	<b>102,951</b>	<b>2%</b>
<b>To Pay Government:</b>				
Income tax	189,982		1,131,564	
Education tax	-		118,002	
Police Trust Fund	-		141	
	<b>189,982</b>	<b>11%</b>	<b>1,249,707</b>	<b>29%</b>
<b>To be retained in the business for expansion and future wealth creation:</b>				
Depreciation of property, plant and equipment	286,611		271,644	
Deferred Tax	(130,784)		(107,722)	
	<b>155,827</b>	<b>9%</b>	<b>163,922</b>	<b>3%</b>
<b>Value retained</b>				
To augment reserves	25,604		1,745,076	
	<b>25,604</b>	<b>2%</b>	<b>1,745,076</b>	<b>41%</b>
<b>Total Value Distributed</b>	<b>1,677,196</b>	<b>100%</b>	<b>4,270,367</b>	<b>100%</b>

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts.

# Northern Nigeria Flour Mills Plc

Annual report for the year ended 31 March 2026

## Five Year Financial Summary

### Statement of financial position

	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Assets</b>					
Non-current assets	12,017,431	7,184,858	7,463,497	7,568,483	3,858,158
Current assets	31,156,546	23,364,079	10,460,949	10,259,350	9,456,970
<b>Total assets</b>	<b>43,173,977</b>	<b>30,548,937</b>	<b>17,924,446</b>	<b>17,827,833</b>	<b>13,315,128</b>
<b>Liabilities</b>					
Non-current liabilities	3,524,573	1,012,817	1,080,056	1,052,280	669,273
Current liabilities	27,507,454	19,842,754	8,766,651	10,195,985	9,791,386
<b>Total liabilities</b>	<b>31,032,027</b>	<b>20,855,571</b>	<b>9,846,707</b>	<b>11,248,265</b>	<b>10,460,659</b>
<b>Equity</b>					
Share capital	89,100	89,100	89,100	89,100	89,100
Share premium	89,521	89,521	89,521	89,521	89,521
Revaluation reserve	7,475,111	5,046,057	5,046,057	5,046,057	1,566,005
Retained earnings	4,488,218	4,468,688	2,853,061	1,354,890	1,109,843
<b>Total equity</b>	<b>12,141,950</b>	<b>9,693,366</b>	<b>8,077,739</b>	<b>6,579,568</b>	<b>2,854,469</b>
<b>Total equity and liabilities</b>	<b>43,173,977</b>	<b>30,548,937</b>	<b>17,924,446</b>	<b>17,827,833</b>	<b>13,315,128</b>

### Statement of profit or loss and other comprehensive income

Revenue	21,547,326	35,392,448	25,951,365	16,161,840	15,232,820
Profit before minimum tax	<b>112,758</b>	<b>2,887,061</b>	<b>2,306,659</b>	<b>544,164</b>	<b>261,213</b>
Minimum tax	-	-	-	(82,103)	(76,686)
Profit before taxation	<b>112,758</b>	<b>2,887,061</b>	<b>2,306,659</b>	<b>462,061</b>	<b>184,527</b>
Taxation	(87,154)	(1,141,985)	(780,764)	(189,240)	(103,859)
<b>Profit for the year</b>	<b>25,604</b>	<b>1,745,076</b>	<b>1,525,895</b>	<b>272,821</b>	<b>80,668</b>
<b>Total comprehensive income</b>	<b>2,493,133</b>	<b>1,704,727</b>	<b>1,560,540</b>	<b>3,785,899</b>	<b>93,424</b>

### Per share data

Earnings per share (Basic) (kobo)	14	979	856	153	45
Net assets per share (kobo)	6,814	5,440	4,533	3,692	1,602