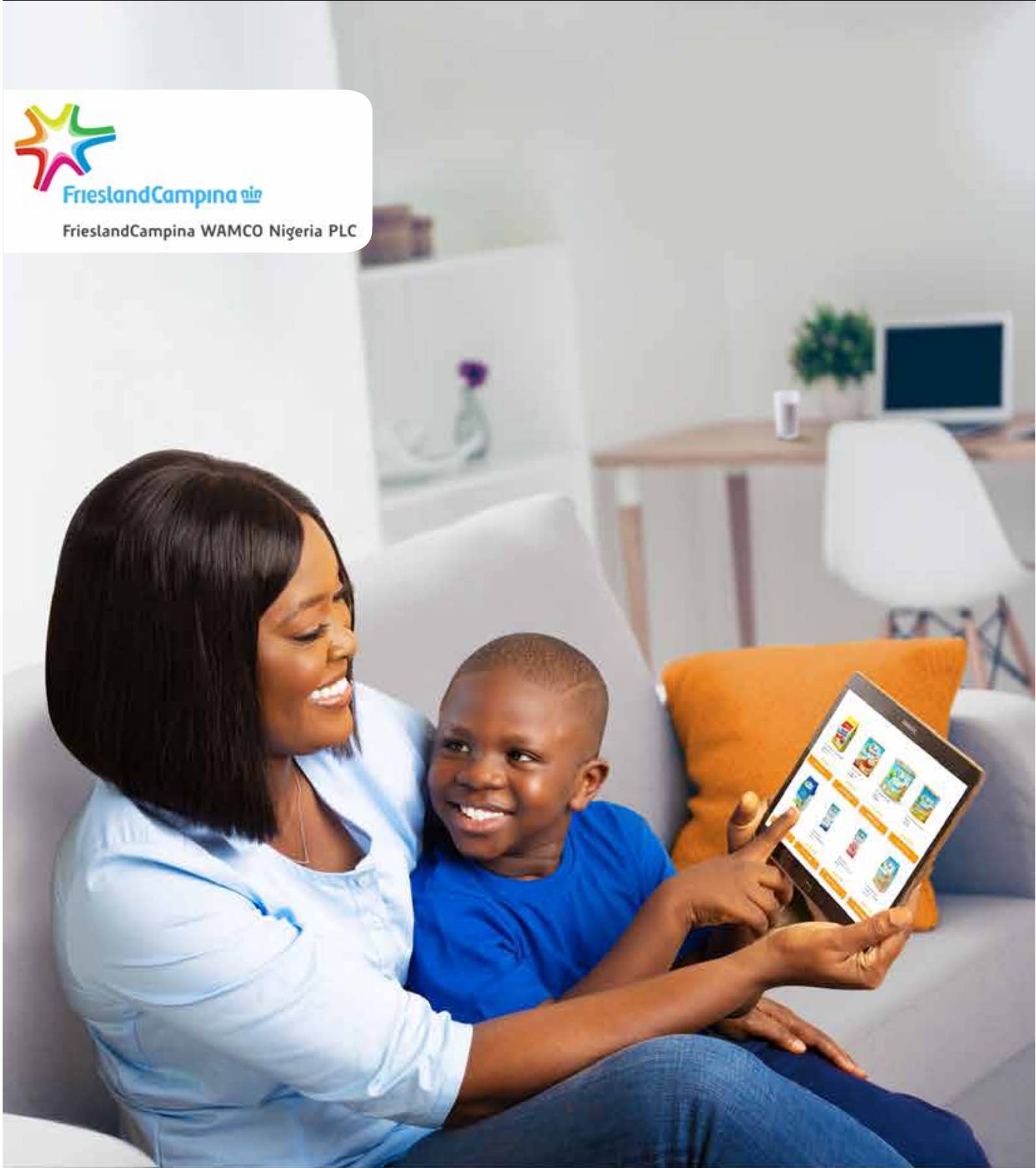




FrieslandCampina air

FrieslandCampina WAMCO Nigeria PLC



**NOURISHMENT
FOR ALL**

MILK THE BEST GIFT

2020

Annual Report &
Accounts



Peak Protein Breakfast

Keeps You Going



One serving only gives a portion of RDI of energy
(see nutritional table). Multiple servings advised.

Reach for your Peak

CONTENT

GENERAL

FINANCIAL HIGHLIGHTS	6
NOTICE OF ANNUAL GENERAL MEETING	10
CHAIRMAN'S STATEMENT	12
BOARD OF DIRECTORS' PROFILE	16
MANAGEMENT TEAM PROFILE	22

REPORT AND FINANCIAL STATEMENTS

DIRECTORS AND OTHER CORPORATE INFORMATION	30	STATEMENT OF CHANGES IN EQUITY	52
REPORT OF THE DIRECTORS	31	STATEMENT OF CASHFLOWS	53
STATEMENT OF DIRECTORS' RESPONSIBILITIES	40	NOTES TO THE FINANCIAL STATEMENTS	55
STATEMENT OF CORPORATE RESPONSIBILITY	41	OTHER NATIONAL DISCLOSURES	97
INVESTOR RELATIONS	42	VALUE ADDED STATEMENT	98
REPORT OF THE AUDIT COMMITTEE	46	FIVE-YEAR FINANCIAL SUMMARY	99
INDEPENDENT AUDITOR'S REPORT	47	OTHER COMPANY ACTIVITIES	102
STATEMENT OF FINANCIAL POSITION	50	CORPORATE DIRECTORY	125
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	51	PROXY FORM	127
		E-DIVIDEND ACTIVATION FORM	129
		E-PRODUCTS ACTIVATION FORM	130
		NOTES	131



Standing with Nigeria:
FrieslandCampina WAMCO
partners to support the fight
against COVID-19



Nigeria's first expertise dairy Center
to deliver a sustainable national
dairy value chain

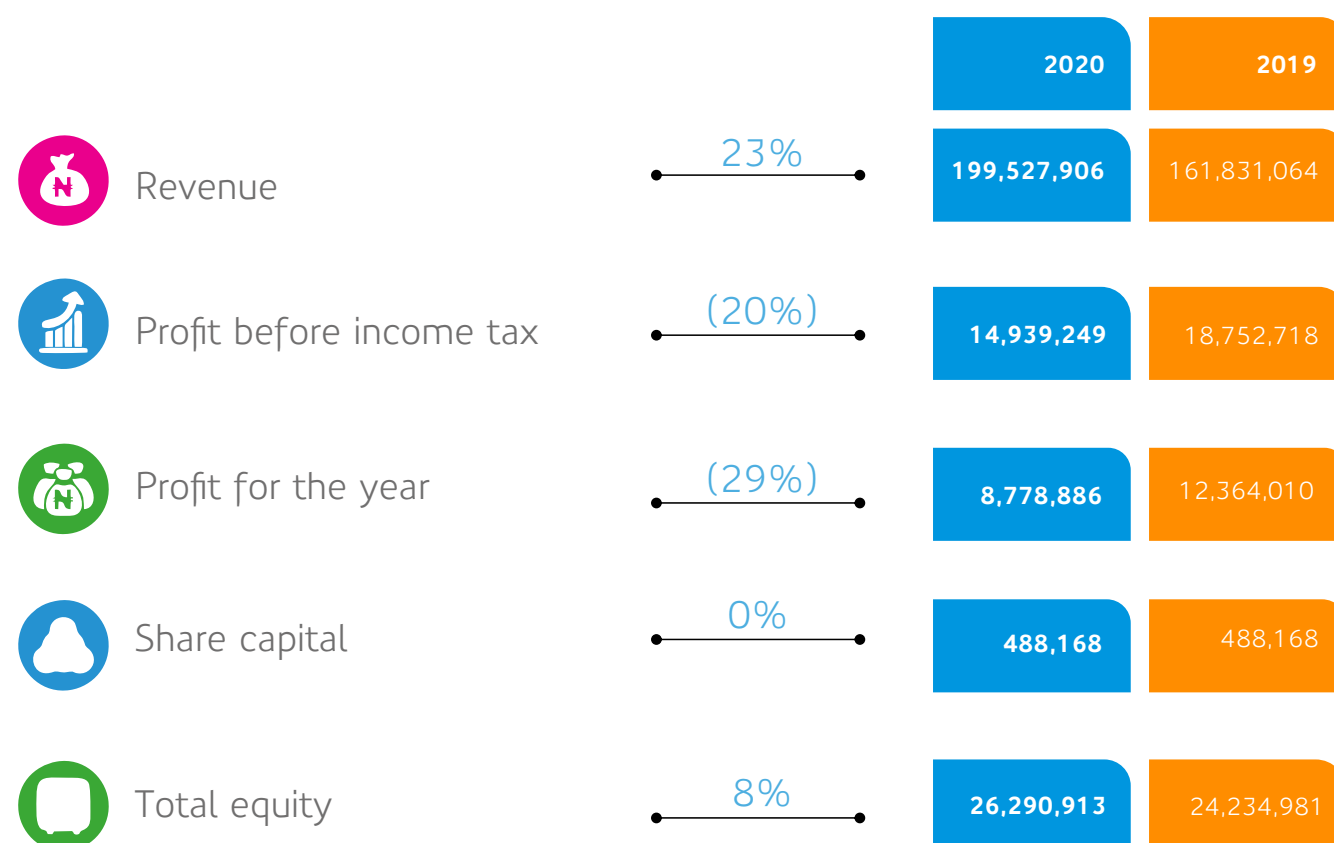


Leveraging Ecommerce to reduce
the impact of lockdowns and strengthen
COVID-19 precautions

**FUTURE
COLLABORATION**

Accelerating our strategy, enabling
employees to collaborate and
innovate across functions

Financial Highlights



Per Share Data

	2020	2019	Increase/ (Decrease)
Number of 50k ordinary shares	976,335,936	976,335,936	-
Basic earnings	8.99	12.66	(29%)
Interim dividend paid	-	2.68	(100%)
Final dividend proposed	6.74	6.81	(1%)

FrieslandCampina WAMCO Acquires Nutricima Dairy Business in Nigeria

In September 2020, FrieslandCampina WAMCO acquired Nutricima's dairy business in Nigeria. The investment includes the Company's production facility in Ikorodu, Lagos State and its brands, Olympic, Coast and Nunu; a range of powdered, evaporated and ready to drink milk products. These brands have a good presence across the Nigerian dairy market.

The integration of Nutricima's dairy business into FrieslandCampina WAMCO Nigeria PLC strengthens the basis for rapid growth in the following ways:

- Incremental capacity to meet the growing demand for locally produced evaporated milk and powdered milk.
- Accelerate innovation; bringing new product formats into the market.
- Strengthen regional markets and gain penetration.
- Fast track FrieslandCampina WAMCO's business ambitions.

The commercial journey formally kicked off in March 2020, when FrieslandCampina and PZ Cussons signed an agreement regarding the acquisition.

The acquisition underlines FrieslandCampina WAMCO's continued commitment to contribute to the development of the Nigerian dairy sector.

Roel van Neerbos,
President Food and Beverage

"FrieslandCampina WAMCO has been a keyplayer in Nigeria since 1954. With this acquisition, we demonstrate our strong commitment to Nigeria and its dairy market."

Ben Langat,
Managing Director

"It is our mission to bring affordable and attainable quality dairy products to all Nigerians and meet the growing demand. That's why we are pleased with this acquisition."



new additions. more nutrition

Elevating Nigerians To Their Peak

Giving Nigerians quality dairy nutrition
to reach their Peak daily and remain unstoppable
is our sole purpose.



The image shows two women sitting at a table, laughing and talking. On the table are two packets of Peak Instant Milk Powder and two cups of milk. The woman on the left is wearing a blue shirt, and the woman on the right is wearing a patterned shirt. The background is a simple indoor setting with a plant and a lamp.

Peak
SINCE 1953

Full Cream
Instant Milk Powder

Full Cream
Rich and Creamy

Filled
Instant Milk Powder

Filled
Low Cholesterol

Reach for your Peak

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 48th Annual General Meeting of FrieslandCampina WAMCO Nigeria PLC will hold at Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos, Nigeria at 11:00am on Thursday, the 6th day of May, 2021 to transact the following business:

ORDINARY BUSINESS

1. To lay before the meeting the Audited Accounts for the financial year ended 31 December 2020, the Report of the Directors, External Auditors and the Audit Committee thereon.
2. To declare a final dividend.
3. To elect/re-elect Directors including Mr. Moyo Ajekigbe, who has attained the age of 70 years old, special notice to that effect having been received by the Company in accordance with section 278 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2020 (CAMA 2020).
4. To authorize the Directors to fix the remuneration of the Auditors.
5. Disclosure of the remuneration of Managers of the Company.
6. To elect members of the Audit Committee.

SPECIAL BUSINESS

7. To fix the remuneration of the Directors.

NOTES

a. Proxies

Due to the Covid-19 pandemic and in compliance with the Coronavirus Disease (Covid-19) Health Protection Regulations 2021 issued by the Federal Government of Nigeria, limiting the maximum number of persons at a gathering, attendance at this Annual General Meeting (AGM) shall be by Proxy only. The Company has obtained the approval of Corporate Affairs Commission to hold the AGM using Proxies in line with the "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies."

Shareholders are required to appoint a proxy of their choice from the list of proxies contained in the blank Proxy Form included in the 2020 Annual Report and Accounts. To be valid for the AGM a duly completed Proxy Form must be received in the office of the Registrars, First Registrars and Investor Services Limited, No. 2, Abebe Village Road, Iganmu, Lagos State or sent by e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com, not later than Tuesday, the 4th of May, 2021.

The Company has made arrangements for Stamp Duty to be paid on the proxy forms, at the Company's cost.

b. Live Streaming of the AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to be part of the proceedings. The link for the live streaming will be made available on the Company's website: www.frieslandcampina.com.ng and by the Registrar in due course.

c. Closure of Register

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Friday 23rd April 2021 to Thursday 29th April 2021, both dates inclusive, to enable the Registrars to prepare for the payment of dividend.

d. Dividend

If the dividend recommended by the Directors is approved, it will be paid electronically on Friday 7th May 2021 to shareholders whose names are registered in the Company's Register of Members at the close of business on Thursday 22 April 2021 and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their bank accounts in compliance with the directives of Securities and Exchange Commission.

e. Nominations for the Statutory Audit Committee

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

f. Unclaimed Dividend

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

g. E – dividend

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

h. Rights of Shareholders to ask Questions

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

i. Electronic Version of the Annual Report and Accounts

Electronic version (e-copy) of the 2020 Annual Report and Account is available online for viewing and downloading on the Company's website: www.frieslandcampina.com.ng and Registrars website: www.firstregistrarsnigeria.com. Shareholders who have updated their records with their email address will also receive the e-copy of the document.

BY ORDER OF THE BOARD

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

Dated this 5th day of April 2021

Chairman's Statement

Mr. Jacobs Moyo Ajekigbe, OFR
Chairman



Chairman's Statement cont.

Distinguished Shareholders, members of the Board of Directors, representatives of regulatory agencies, ladies and gentlemen. I am delighted to welcome you all to the 48th Annual General Meeting of our Company; and to present to you the Annual Report and Financial Statements of the Company for the year ended 31st December 2020.

I will set the context by commenting briefly on the macroeconomic environment, especially as it shaped our Company's business performance in 2020. I shall also outline some of our major achievements, the challenges we face, and conclude with the outlook for 2021.

Economic and Business Environment in 2020

Year 2020 has been one of severe economic downturn globally. The economic and business climate was generally unfavourable as most companies experienced severe headwinds and turbulence caused by the coronavirus pandemic which started in December 2019. By the first quarter of 2020, most economies across the globe had locked down, aggravating an already strained oil price which had been declining due to trade dynamics between Saudi Arabia and Russia.

Nigeria, being an oil dependent economy, was adversely impacted by the oil price shock. The country's Gross Domestic Product (GDP), which grew by 2.3% in 2019 recorded a negative growth of 1.92% in 2020. In the course of the year, the economy slipped into recession, having been unable to recover due to the second wave of the global pandemic which slowed global recovery. Oil prices dipped to a record low affecting the Foreign Exchange Reserve which suffered a significant decline. On the domestic scene, agriculture suffered from sporadic flooding and conflicts between herders and farmers. Infrastructure deficits, weak revenue generation, and high government debts constituted significant pressure points on the economy.

Foreign Exchange (FX) rates were relatively stable in Quarter 1 until the impact of the global pandemic became noticeable in Quarter 2, and through Quarter 4 when FX supply became scarce and expensive; and FX rates became unstable. The official exchange rate which was initially projected at ₦305/\$ was adjusted to ₦379/\$. The scarcity of FX led to increased pressure sourcing at the Investors & Exporters window, thus driving up input cost for companies whose operations depended on imports and high FX requirements.

Demand stagnated due to inflationary pressure on consumer wallets. Inflation averaged at 12.9% in 2020, but closed at 15.8% in December, with the highest increase recorded in staple food items. Insecurity across the country also impacted negatively on commercial activities as rampant banditry and kidnappings for ransom restricted penetration into the hinterlands. Unemployment rate was at 27.1%. The poverty situation worsened due to lack of jobs and as a result of the general downturn in the economy. Overall, the operating environment in 2020 was extremely difficult for manufacturing companies in Nigeria.

Operating Results and Performance

The challenging operating environment in 2020 notwithstanding, the Company's commercial and financial performance for the year showed considerable improvement compared to the previous year. Turnover increased by 23.3% in 2020 to ₦199.5billion from ₦161.8billion in 2019. This was due to a combined effect of organic growth and inorganic growth following the acquisition of Nutricima's dairy business. Profit Before Tax however decreased by 20.3% from ₦18.8 billion in 2019 to ₦14.9 billion in 2020 as a result of high input costs, transactional FX impact, and a one-off donation of ₦0.6bln to the Covid Relief Fund.

Cost of sales as a percentage of turnover increased to 79.8% in 2020 from 75.3% in 2019. This was majorly attributable to the higher input costs of dairy raw materials and transactional FX impact occasioned by Covid-19 disruptions. The Company's operating overhead to turnover ratio in 2020 reduced to 2.9% from 3.4% in 2019. This was due to cost containment measures put in place to manage the rising inflation and cost impact.

Net interest cost was higher compared with the previous year's figure. This was as a result of intercompany loans obtained in 2020 to compensate for dollar scarcity in the Nigerian FX markets. Profit After Tax (PAT) for the year decreased by 29% from ₦12.4billion in 2019 to ₦8.8billion in 2020.

We remodeled our Route-To-Market (RTM) distribution strategy during the Covid-19 lockdown to harness the opportunities of direct reach across all relevant channels presented by the spike in food consumption while also leveraging digital channels to enhance our RTM execution to deliver growth. The Company also continued to invest in its brands through integrated initiatives, and by optimizing market spend and increasing its focus on physical availability as dictated by the new normal. The combination of our solid brands and RTM distribution strategy has helped to hold our position in the market and deliver significant topline growth.

Overall, 2020 was a good year for the Company considering the volatility and uncertainty of the business environment. The Company delivered impressive volumes during the year through its brands and superior commercial expertise. The result reflects a formidable business, which can withstand external shocks. The Company continues to be committed to nourishing Nigerians with quality dairy nutrition; and the Board and Management will continue to take necessary steps to ensure that the growth momentum is sustained.

Dividend

The Company continues to maintain its dividend policy of paying 75% of its PAT as dividend to its Shareholders. In line with this policy, the Board of Directors is pleased to recommend for your approval, a total dividend payout of ₦6.74 per ₦0.50 share. No interim dividend was paid during the year hence the dividend of ₦6.74 per ₦0.50 share is recommended as total dividend for your approval. If the proposed dividend is approved, the dividend less withholding tax at the appropriate rate will become payable on the day after the Annual General Meeting (AGM).

Once again, the Board wishes to remind Shareholders of the drive for the implementation of electronic dividend and electronic bonus payment system in line with the directive of the Securities and Exchange Commission (SEC) to eradicate the incidence of unclaimed dividend. Shareholders are requested to complete the e-dividend/e- bonus Application form in the Annual report and submit the completed forms to the Company's Registrar, First Registrars, and Investor Services Limited.

Expansion/Innovation

The Company continued to commit resources to the development of its RTM operations, brands and innovation. During the year under review, the Company achieved the following: installation of an 11kv Independent Power Plant (IPP) across 3 factories to mitigate energy cost in the production process; heat extraction in the Can and Evap factories to ensure a good working environment for our staff; finalization of the centralized dumping in Powder Plant to ensure an effective and robust production process; building of seven Milk Collection Points with boreholes across Kwara, Osun, Ogun and Niger States; and construction of 20 solar-powered boreholes, porta

Chairman's Statement cont.

cabins and silage bunkers in Niger State to strengthen our Dairy Development Programme (DDP).

As part of its expansion drive, the Company acquired Nutricima factory in Ikorodu during the year under review. The factory which is used to produce Coast, Nunu, and Olympic brands was able to produce the Three Crowns brand, this was operational within three days of completion of acquisition.

The factories have continued to improve performance, with a record of 1.6% improvement in conversion costs compared to 2019 and 7.6% better than the budget; 56.5% significant improvement in supply chain cost savings compared to 2019 and 5.6% and 1.2% improvement in overall equipment capacity and utilization respectively compared to 2019. Despite the external challenges, production volume increased by 20.3% compared to 2019. The Company recorded the highest production volume in its history during the year under review.

Commercial Developments

As earlier mentioned, the unexpected Covid-19 pandemic and subsequent lockdown impacted the economy adversely, and by extension our RTM operations. With about 70% of Nigerians living on daily wages, purchasing power was squeezed. Interstate border closure affected movement of goods, and our biggest sales channel, the open market, was affected due to closure and restrictions.

To achieve the Company's commercial vision, the Sales Division was further sub-divided to accelerate active coverage of outlets and to ensure that our products were readily accessible to consumers pan-Nigeria. We also expanded into the digital channel with our e-commerce platform to cater for digital-savvy consumers by deploying our wholesale Self Ordering app to customers in urban locations for ordering convenience in a cost-efficient manner while expanding to active spots. The commercial strategy also helped to manage the current realities: the major shift in traditional channel dynamics, evolving shopper behaviour, and consumption patterns.

With the changing customer and shopper landscape, our Customer Development and Shopper Marketing Team remains committed to winning with Key Customers in the market by fulfilling the needs of its shoppers using an omni channel approach and by optimizing its conventional channels and expansion into new ones.

To support the health and survival of Nigerian children, the Medical Marketing Team consolidated its relationship with relevant healthcare professionals in line with the World Health Organization's code and regulations. The Team creatively leveraged digital channels to reach its audience whilst delivering through traditional channels despite the restrictions on physical interactions. FrieslandCampina's Specialized Nutrition brands are gaining increased recommendation within the medical community as strong nutritional support in enhancing the physical development and cognitive performance of children.

Developing Local Content

The Company made considerable progress in 2020 with its backward integration programme, the Dairy Development Programme (DDP), by expanding its operations to Kwara state, thus improving the sustainability of the programme. Twenty Milk Collection Points (MCPs) were constructed across four states: Oyo, Ogun, Osun, and Kwara.

The DDP expansion to the North was further boosted by continuous investment in the Company's 10,000-hectare facilities at Bobi Grazing Reserve in the Mariga Local Government

Area of Niger state. At Bobi, a Milk Collection Centre has been installed with cooling tanks and other equipment to facilitate milk collection from the dairy farmers. Continuous training and capacity-building activities are on-going for the farmers and other personnel while the Hydroponic Centre and other previously installed facilities are still in operation. Pasture development bloomed as a result of significant investment in necessary equipment and infrastructural facilities. More than 22 solar-powered boreholes were drilled; and cow sheds, earth dams, and training halls were constructed to further demonstrate our commitment to the programme as the leader in the dairy sector. Security however remained a major challenge in the area which has become notorious for banditry and kidnapping, and this has been addressed several times to the authorities.

As an integral part of the DDP, several small-holder dairy farmers were supplied with pregnant crossbreds, dairy inputs, and farming equipment that have made dairy farming more enjoyable, profitable and sustainable. The farmers were also trained in best dairy farming practices and good environmental management. As a result, the Company achieved the highest daily collection volume of raw milk at 40,000 liters, which has heightened the delivery output.

Safety remained paramount in our operations, and during the year under review training in safety procedure awareness as well as sensitization programmes on Covid-19 were conscientiously carried out in all of our MCCs, MCPs, and other DDP locations for the Company's staff and farmers. Strict adherence to non-pharmacological preventive protocols was observed, and as a result there was not a single case of Covid-19 in all of our DDP sites.

In its bid to widen the scope of the DDP and make it more inclusive, the Company in partnership with key stakeholders, launched Nigeria's first expertise Centre for dairy development, the Centre for Nigeria Dutch Dairy Development (CNDDD). The Centre focuses on improving dairy productivity and sustainability through the entire dairy value chain in Nigeria driven and supported by the Dutch partners, who have experience and practice developed over a century. The CNDDD will strengthen cooperation among relevant stakeholders including the Nigerian Government, dairy farmers, academics, students, and key industry players. New sustainable partnerships were formed with universities and some new farms to accelerate dairy development in Nigeria. The year ended with an award from Farm Connect Limited to FrieslandCampina WAMCO for creating value for Nigerian dairy farmers.

Corporate Social Responsibility

The Company, under its Corporate Social Responsibility (CSR) initiatives, extended support to different groups across the country with a focus on disadvantaged communities.

In keeping with its mission to provide better nutrition for Nigerians, the Company provided dairy products to the vulnerable groups affected by the coronavirus pandemic restrictions. Through partnership with the Lagos State Government, Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development and key Non-Governmental Organizations, our Company catered for the nutrition needs of over 127,000 families across the federation. Health Care Professionals at the frontlines of combating the virus also received hygiene items.

Taking the intervention further, the Company made a bulk cash donation of ₦500,000,000.00 (Five Hundred Million Naira) to the Coalition Against COVID-19 Fund (a private sector-led initiative in partnership with the Federal Government of Nigeria, the Nigeria Centre for Disease Control and the World

Chairman's Statement cont.

Health Organization) with the sole aim of combating COVID-19 in Nigeria by providing medical facilities across the country's six geo-political zones.

Under a strategic partnership with Orange Corners Nigeria (an initiative of the Ministry of Foreign Affairs and the Kingdom of the Netherlands), the FrieslandCampina WAMCO employees continued to volunteer as mentors to participating entrepreneurs on this programme who have startup businesses. The Orange Corners Nigeria has successfully produced three cohorts of twenty startups per cohort since inception in 2019 by leveraging on the power of digital channels through virtual engagement sessions. These are expected to continue into the current year. The objective of the mentoring programme is for the employees who are managers to share their wealth of experience with the young and promising entrepreneurs.

In line with the Company's tradition, thirty charitable organizations across the country were provided with product support in quarterly installments to complement their efforts at catering adequately for dependents under their care.

Sustainable Engagement/Human Resources

Our Company as an employer of choice continues to promote an atmosphere that encourages industrial peace, harmony and loyalty to the business. Our close-knit relationships motivate our employees and align them to be productive, cooperative, and supportive of one another to achieve the Company's goals.

However, 2020 was not just disruptive but also redefining for us as a business in terms of people and workplace management. The implication of the novel pandemic for us was broad and substantial, hence the need to reorganize people management priorities to suit immediate business needs. The Company facilitated the essentials such as equipping leaders to manage remote teams over the long haul, preservation of our WIN-WIN culture with a more distributed workforce, and sustained employee engagement in a cost-constrained environment.

Despite all odds, the business continued to thrive by focusing on critical factors such as employee health and mental wellness, critical skills development, and consistent communication to sustain employee engagement.

Our human resource focus is to continuously develop a high-performing, resilient, empowered, and engaged workforce. Our Company will continue to leverage existing leadership capabilities to strengthen employee psychological resilience in readiness for future uncertainties. We are committed to supporting productivity and business growth by deploying the right people in the right roles at the right time under the right atmosphere.

Board Changes

During the year, Mr. Dirk van Breen resigned from the Board as an Executive Director after the completion of his tour of duty in Nigeria. He was appointed as the Company's Finance Director in 2017 and appointed to the Board on 1st September 2019. On your behalf, I thank Mr. Dirk van Breen for his services and valuable contributions to the growth of the Company; and wish him well in his future endeavours.

Mr. Marc Galjaard was appointed to the Board as Executive Director, Finance, to replace Mr Dirk van Breen. Mr Galjaard has served in various capacities in FrieslandCampina and other multinational companies. We believe that he has the skills and wealth of experience required for the role to which he has been

appointed. On behalf of all of us, I wish him success in his new assignment.

Five Directors (including me) will retire at the forthcoming Annual General Meeting, and being eligible, we have offered ourselves for re-election. As required by Section 278 of the Companies and Allied Matters Act 2020, I have given the Company a special notice that I would have attained the age of 70 before the next AGM. Other Directors seeking re-election are Mr. Robert Steetskamp, Engr. Mustafa Bello, Mr. Marc Galjaard, and Mrs. Oyinkan Ade- Ajayi.

Acknowledgments

Two of the critical factors that have continued to contribute to the success of the Company are teamwork and solid support of the Corporate Head Office. The Company milked the two to the fullest and for maximum advantage in 2020. I would therefore like to thank my colleagues on the Board and members of the Management Team for their valuable insight, counsel, and teamwork during the last financial year. Special acknowledgment goes to our Corporate Head Office for their technical support, and for making available the most needed FX through inter-company loans on generous terms. Without this support the results achieved during the year would not have been possible. Our consumers deserve special appreciation for being consistent in their decisions to buy and consume our products daily. They have continually demonstrated their confidence in our products and the Company, and we are very proud of them. I appreciate all our employees for their passion, commitment to shared values, hard work, and dedication to duty; and our suppliers, financiers, and other business partners for their commitment to our business ambition. I would also like to thank our regulators for ensuring a disciplined business environment.

Business Outlook 2021

The outlook for the global economy appears hazy considering the second wave of COVID-19. The discovery of a number of vaccines however holds the promise of recovery in 2021. For the domestic economy, available data and forecasts for key macroeconomic variables suggest optimism in growth for the year 2021; GDP has been projected to grow at 2%. However, the outlook remains very fragile, clouded by uncertainty regarding oil price trajectory, scarcity of FX, rising inflation, elevated unemployment, security challenges, hike in the pump price of petroleum products, electricity price adjustments, and social tensions across the country.

Notwithstanding the volatile and uncertain business environment for the year, the Board and Management remain positive and confident about the future of our Company. We are confident that our brands, which are leaders in the market segment, will continue to grow on the back of our unique Route-to-Market strategy to achieve our business ambition.

We will continue to pursue our backward integration and product diversification strategies with vigor to ensure the long-term sustainability of our business.

Thank you, distinguished Shareholders, for your kind attention.



J. M. Ajekigbe, OFR
Chairman, FrieslandCampina Wamco Nig. Plc

Board of Directors' Profile



Mr. Jacobs Moyo Ajekigbe, OFR
Chairman

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

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

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



Mr. Bernard Cheruiyot Langat
Managing Director

Mr. Bernard Cheruiyot Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Company over four years ago as the Managing Director. He has over 28 years' experience acquired through working in leading multinationals, Unilever and Coca Cola before his current position.

His last position was the Managing Director, Nigerian Bottling Company Limited, Coca Cola Hellenic Bottling Company. He has extensive experience across African Markets having held various senior management positions in Kenya, Malawi, Ghana and Nigeria where he has consistently led businesses to accelerate performance and build long term growth strategies.

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

Mr. Langat holds a Bachelor of Commerce Degree from the University of Nairobi, Master of Business Administration from Edinburgh Business School - Heriot Watt University Scotland UK, and is a Certified Public Accountant of Kenya CPA (K). He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He is an alumnus of Harvard Business School Advanced Management Program AMP191, Boston USA, the London Business School as well as IMD Lausanne Switzerland.



Mr. Roel van Neerbos
Non-Executive Director

Roel van Neerbos is an Executive Board member of FrieslandCampina. He is also the President Food & Beverage, FrieslandCampina.

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

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

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

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



Mrs. Oyinkan Ade-Ajayi
Non-Executive Director

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

Mrs. Ade-Ajayi's work experience straddles both the world of education, publishing and marketing. A graduate of Cambridge University (B.Ed Hons) and London Business School (MBA). She has extensive experience in Strategy and Consumer Brands Marketing, which she acquired whilst working with international organizations including Unwin Hyman Publishers, SmithKline Beecham in London and the Red Cross Children's Hospital in Cape Town, South Africa, amongst others.

Board of Directors' Profile



Rev. Isaac Adefemi Agoye
Non-Executive Director

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

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

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

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

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



Engr. Mustafa Bello, FNSE
Independent Non-Executive Director

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

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

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

Engineer Bello also serves as a Non-Executive Director on the Board of Zenith Bank Plc.



Mr. Peter Eshikena
Non-Executive Director

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

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

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



Mrs. Oreoluwa Famurewa
Executive Director

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

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

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

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won awards including Outstanding Female Corporate Communications Professional of the year in the FMCG category at the Women in Marketing and Communications Conference and Award (WIMCA) 2019.

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

Board of Directors' Profile



Mr. Marc Galjaard
Executive Director

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

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

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

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

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



Mr. Robert Steetskamp
Non-Executive Director

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

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

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

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

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

Company Secretary/Legal Adviser



Mrs. Olubukunola Olateru
Company Secretary/Legal Adviser

Mrs. Olubukunola Olateru is a Corporate Counsel and Chartered Secretary with extensive experience in broad multi-functional roles spanning Legal Practice, Corporate and Regulatory Affairs, Commercial legal Management as well as Commercial Law and Corporate Governance practice. Her forte is identifying existing and emerging legal and corporate governance risks to business and proffering innovative solutions. She recently received the Nigerian Rising Star award, as one of the 40 Leading Nigerian Lawyers Under 40 who will shape the future of the legal profession in Nigeria.

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

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

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

Management Team Profile



Mr. Bernard Cheruiyot Langat
Managing Director

Mr. Bernard Cheruiyot Langat is the Managing Director of FrieslandCampina WAMCO Nigeria PLC. He joined the company over four years ago as the Managing Director. He has over 28 years' experience acquired through working in leading multinationals, Unilever and Coca Cola before his current position.

His last position was the Managing Director, Nigerian Bottling Company Limited, Coca Cola Hellenic Bottling Company. He has extensive experience across African Markets having held various senior management positions in Kenya, Malawi, Ghana and Nigeria where he has consistently led businesses to accelerate performance and build long term growth strategies.

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

Mr. Langat holds a Bachelor of Commerce Degree from the University of Nairobi, Master of Business Administration from Edinburgh Business School - Heriot Watt University Scotland UK, and is a Certified Public Accountant of Kenya CPA (K). He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He is an alumnus of Harvard Business School Advanced Management Program AMP191, Boston USA, the London Business School as well as IMD Lausanne Switzerland.



Mr. Adewale Arikawe
Sales Director

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

He has accumulated over 24 years' experience in the Commercial part of the business starting from Multichoice Nigeria where he began his career in Sales, and in 18 years of working in various capacities at Nestle Nigeria PLC where he pioneered both Regional Sales Operations South-South and Branch Office South and East of Nigeria. He was later transferred to Lagos to set up the National Institution and Alternative Business Operations before moving into Marketing as Category Business Manager for Dairy in Nestle Nigeria.

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

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



Mrs. Oreoluwa Famurewa
Corporate Affairs Director

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

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

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

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won awards including Outstanding Female Corporate Communications Professional of the year in the FMCG category at the Women in Marketing and Communications Conference and Award (WIMCA) 2019.

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



Mr. Marc Galjaard
Finance Director

Mr. Marc Galjaard is the Finance Director of FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO as a member of the Management Team in September 2020.

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

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

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

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

Management Team Profile



Mr. Adekola Lamidi
Manufacturing Director

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

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

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



Mr. Joel Ariori
Customer Supply Chain Director

Mr. Joel Ariori is the Customer Supply Chain Director for FrieslandCampina WAMCO Nigeria PLC. He joined FrieslandCampina WAMCO management team April 2019. Mr. Ariori is a registered Electrical Engineer, with an honours degree from the Obafemi Awolowo University, Nigeria and Master's degree (MSC) from University of Lagos. He is a corporate member of the Nigerian Society of Engineers, and a COREN Registered Electrical Engineer. Joel Ariori is a seasoned Supply Chain professional with a viable track record for leading transformational dynamics in operations management, delivering the competitive advantage.

An astute visionary leader with penchant for developing growth ideas and empowering talents to actualize and maximise their full potentials. He has garnered over 22 years of working experience with various multinationals. He started his career with West African Portland Cement Plc (now Lafarge) as a graduate trainee, worked at Unilever Nigeria Plc and Coca-Cola Hellenic Nigeria in various end to end supply chain capacities covering Engineering, Project Management, Plant Management, Logistics, Strategic & Infrastructural Planning, Sales & Operational Planning, Continuous/Process Improvements, Risk Management and Sustainability. He also served as Senior Electrical Engineer, Unilever Engineering Excellence Team, responsible for leading Engineering Excellence and Standards in Africa, Asia and Middle East, based in Port Sunlight.



Ms. Dolapo Otegbayi
Specialised Nutrition Director

Ms. Dolapo Otegbayi is the Specialised Nutrition Director for FrieslandCampina WAMCO Nigeria PLC. She joined the Management Team on 1 November 2019. Dolapo has over 21 years' experience acquired through working in foremost Advertising Agency, Insight Communications, as well as different senior positions in FrieslandCampina WAMCO prior to her current position. She has collaborated and worked in Vietnam as Business Development Manager, Nigeria as Marketing Manager - Peak, Head of Shopper Marketing and Netherlands as International Shopper Marketing Manager respectively.

Dolapo Otegbayi holds a degree in Political Science from Ambrose Alli University, Ekpoma, Edo State. She is an alumnus of University of Lagos (Masters in Public and International Affairs) and University of Liverpool (Masters of Science Global Marketing). Dolapo has undergone several leadership programmes. She is an Associate Member of Advertising Practitioners Council of Nigeria and a Fellow of the National Institute of Marketing of Nigeria (NIMN). In 2017, Dolapo Otegbayi was listed on the Top 50 Marketing Professionals and received the award for Outstanding Woman in Marketing in Nigeria. In 2018, she was honoured with the Marketing Thought Leader Award.



Mr. Chris Whulff-Ceaser
Marketing Director

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

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

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

Chris is a fellow of National Institute of Marketing Nigeria (NIMN) and an Associate member of the Advertising Practitioners Council of Nigeria (APCON). In 2019, he was awarded the prestigious Marketing Personality of the Year at the Marketing Edge Awards.

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

Management Team Profile



Mr. Tope Philips-Aikhuemelo
Human Resource Director

Mr. Tope-Phillips Aikhuemelo joined FrieslandCampina WAMCO Nigeria PLC as the Human Resources Director on the 1st of February, 2020. He has had over 3 decades of work experience acquired through working in leading multinationals within and outside Nigeria. He is a seasoned professional with a career journey spanning across Banking, Journalism, Corporate and Governmental Affairs, Brands (Marketing) and Human Resources Management.

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

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

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

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

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

Peak Protein Breakfast
Keeps You Going

Profit inflow

25%

2%

7%

8%

One serving only gives a portion of RDI of energy (see nutritional table). Multiple servings advised.

Reach for your Peak

Putting Consumers First

As a consumer-centric brand, we focus on creating joyous moments that nourish both their minds and body as they stay safe.



Directors and other Corporate Information

Board of Directors:	Mr. Jacobs Moyo Ajekigbe, OFR Mr. Bernard Cheruiyot Langat (Kenyan) Mrs. Oyinkan Ade-Ajayi Rev. Isaac Adefemi Agoye Engr. Mustafa Bello Mr. Peter Eshikena Mr. Roel van Neerbos (Dutch) Mr. Robert Steetskamp (Dutch) Mr. Dirk van Breen (Dutch) Mr. Marc Galjaard (Dutch) Mrs. Oreoluwa Famurewa	Chairman Managing Director Non-Executive Director Non-Executive Director Independent Non Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director resigned 1st July 2020 Executive Director appointed 15th September 2020 Executive Director
Company Secretary/ Legal Adviser:	Mrs. Olubukunola Olateru FCIS	
Registered Office:	Plot 7b Acme Road Ogba Industrial Estate Ogba-Ikeja Lagos State	
Registrars:	First Registrars and Investor Services Limited Plot 2 Abebe Village Road Iganmu, Lagos	
Independent Auditors:	PricewaterhouseCoopers Landmark Towers Plot 5B Water Corporation Road Victoria Island, Lagos	
Principal Bankers:	Access Bank PLC Citibank Nigeria Limited Coronation Merchant Bank First Bank of Nigeria PLC First City Monument Bank PLC Guaranty Trust Bank PLC Stanbic IBTC Bank PLC Standard Chartered Bank PLC Union Bank of Nigeria United Bank of Africa PLC Zenith Bank PLC	

Report of the Directors

For the year ended 31 December 2020

1 Incorporation

FrieslandCampina WAMCO Nigeria PLC was incorporated in Nigeria under the Companies and Allied Matters Act (Cap. C20) Laws of the Federation of Nigeria 2020 as a Public Limited Liability Company and is domiciled in Nigeria.

2 Principal Activities

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

Following the acquisition of Nutricima Limited dairy business in Nigeria, the Company now also has another manufacturing site in Ikorodu, Lagos.

3 Result for the Year

The summary of the operating results is as follows:

In thousands of naira	2020	2019
Revenue	199,527,906	161,831,064
Profit before income tax	14,939,249	18,752,718
Income tax expense	(6,160,363)	(6,388,708)
Profit for the year	8,778,886	12,364,010
Other comprehensive (loss)/income	(74,106)	(13,418)
Total comprehensive income for the year	8,704,780	12,350,592

4 Dividend

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

In accordance with this policy, the Board of Directors is proposing a total dividend pay-out of ₦6.74 per ₦0.50 share (2019: ₦9.49). No interim dividend was paid in 2020 (2019: ₦2.68 interim dividend payout); and a final dividend of ₦6.74 per ₦0.50 share is recommended for your approval (2019: ₦6.81 was paid out as final dividend). This will make the dividend pay-out 75% (75% in 2019).

If the proposed final dividend is approved, the final dividend less withholding tax at the appropriate rate will become payable on 7th May 2021.

5 Property, Plant and Equipment

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

Report of the Directors

For the year ended 31 December 2020

6 Directors

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

Mr. Jacobs Moyo Ajekigbe, OFR	Chairman
Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director
Mrs. Oyinkan Ade-Ajayi	Non-Executive Director
Rev. Isaac Adefemi Agoye	Non-Executive Director
Engr. Mustafa Bello	Non-Executive Director
Mr. Peter Eshikena	Non-Executive Director
Mr. Roel Van Neerbos (Dutch)	Non-Executive Director
Mr. Robert Steetskamp (Dutch)	Non-Executive Director
Mr. Dirk van Breen (Dutch)	Executive Director resigned 1st July 2020
Mr. Marc Galjaard (Dutch)	Executive Director appointed 15th September 2020
Mrs. Oreoluwa Famurewa	Executive Director

Since the last Annual General Meeting, Mr. Dirk van Breen resigned from the Board. On your behalf, we wish to thank him for his contributions to the Company during his tenure. Following Mr. Dirk van Breen's resignation, the Financial Controller served in interim capacity as Finance Director from 1st July 2020 to 15th September 2020. Subsequently, Mr. Marc Galjaard was appointed to the Board as Executive Director, Finance. In accordance with the Articles of Association of the Company and the provisions of the Companies and Allied Matters Act, Mr. Marc Galjaard will retire at the forthcoming Annual General Meeting and being eligible offer himself for re-election.

In accordance with Article 85 of the Company's Articles of Association, Messrs Robert Steetskamp, Mustafa Bello and Mrs. Oyinkan Ade-Ajayi will retire by rotation and being eligible, offer themselves for re-election. As required by section 278 of the 2020 CAMA Act, Mr. Moyo Ajekigbe has duly notified the Company that he is over 70 years old and as such, offers himself for a re-election at the forthcoming Annual General Meeting.

The profiles of the Directors standing for re-election are contained on pages 16, 17, 18 and 20 of this Annual Report.

7 Directors' Interests in Contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020, of any disclosable interests in contracts with which the Company was involved as at 31 December 2020.

8 Directors' Shareholding

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

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholding and as notified by them in accordance with Sections 275 and 276 of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020 (CAMA) are as follows:

Report of the Directors

For the year ended 31 December 2020

	Number of ordinary shares held as at 31 December			
	2020 ₦0.50 nominal value	Holdings %	2019 ₦0.50 nominal value	Holdings %
Mr. Jacobs Moyo Ajekigbe, OFR	1,250,000	0.13	1,250,000	0.13
Rev. Isaac Adefemi Agoye	1,335,418	0.14	1,335,418	0.14
Mrs. Oyinkan Ade-Ajayi	1,136,794	0.12	1,136,794	0.12
Mr. Peter Eshikena	192,646	0.02	192,646	0.02
Mr. Bernard Cheruiyot Langat	Nil	0.00	Nil	0.00
Engr. Mustafa Bello	Nil	0.00	Nil	0.00
Mr. Roel Van Neerbos	Nil	0.00	Nil	0.00
Mr. Robert Steetskamp	Nil	0.00	Nil	0.00
Mr. Marc Galjaard	Nil	0.00	Nil	0.00
Mrs. Oreoluwa Famurewa	40,000	0.00	40,000	0.00

9 Corporate Governance Report Framework

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

- Companies and Allied Matters Act [CAP.C20] Laws of the Federation of Nigeria (LFN) 2020 (CAMA)
- The Investment and Securities Act 2007
- Security and Exchange Commission [SEC] Rules for the time being in force
- The SEC Code of Corporate Governance for Public Companies 2011 as amended
- 2018 Nigerian Code of Corporate Governance (NCCG Code)
- The Memorandum and Articles of Association of FrieslandCampina WAMCO Nigeria PLC.
- The Board Charter
- The FrieslandCampina WAMCO Nigeria PLC Code of Business Conduct - COMPASS.

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

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

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

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

a. Board Responsibilities

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

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

Report of the Directors

For the year ended 31 December 2020

1. Structural and Constitutional powers

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

2. Governance

- Convening of meetings of the shareholders of FrieslandCampina WAMCO Nigeria PLC and the setting of the agenda thereof;
- Presentation of the annual report and financial statements to shareholders;
- Proposals to the general meetings of shareholders of FrieslandCampina WAMCO Nigeria PLC. on Board remuneration within the authority set by the general meeting of shareholders;
- The review of the functioning of the Board and its committees;
- Overall responsibility for compliance with all relevant laws, regulations and Code of Corporate Governance.

3. Board Remuneration

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

b. Board Appointment and Evaluation Process

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

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

Based on the result of the Board evaluation, the Board, its Committees and individual Director recorded very good performance.

Board Evaluation:

A summary of the Board Performance Evaluation in the past year is that all the Directors are making valuable contributions to the business of the Company, the activities of the Board and the Company align with established corporate governance best practices and that the Board has put in place structures, processes and procedures that would ensure effective implementation of its strategies as well as the sustenance of best corporate governance practices.

c. Board Meetings

During 2020, the Board of Directors convened four (4) meetings. The record of Directors' attendance is presented below:

Name	Number of Meetings Attended
Mr. Jacobs Moyo Ajekigbe, OFR	4
Mr. Bernard Cheruiyot Langat	4
Mrs. Oyinkan Ade-Ajayi	4
Rev. Isaac Adefemi Agoye	4
Engr. Mustafa Bello	4
Mr. Peter Eshikena	4
Mr. Roel van Neerbos	4
Mr. Robert Steetskamp	4
Mr. Dirk van Breen (Resigned 1st July 2020)	2
Mr. Marc Galjaard (Newly appointed)	2
Mrs. Ore Famurewa	4

Report of the Directors

For the year ended 31 December 2020

The Board Meetings were held on 27 February, 25 June, 15 September, 2 December 2020.

d. Audit Committee Meetings

In line with Section 404 (3) of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020 (CAMA), the Audit Committee is comprised of three (3) shareholders' representatives and three (3) Directors' representatives.

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

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

During 2020, the Audit Committee convened four (4) meetings. The record of Committee's attendance is presented below:

Name	Number of Meetings Attended
Rev. Isaac Adefemi Agoye	4
Mr. Okwudili G. Emodi (Deceased January 2021)	4
Mr. Peter Eshikena	4
Sir. Sunday N. Nwosu	4
Mr. John Ogundipe	4
Mr. Robert J. Steetskamp	4

The Audit Committee Meetings were held on 25 February, 10 June, 11 September and 30 November 2020.

Committees of the Board

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

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

During 2020, the Governance Committee convened three (3) meetings. The record of Committee's attendance is presented below:

Name	Attendance
Engr. Mustafa Bello	3
Mrs. Oyinkan Ade- Ajayi	3
Mr. Roel van Neerbos	3
Mr. Robert Steetskamp	3

The Committee held its meetings on 26 February, 10 September, 26 November 2020.

Report of the Directors

For the year ended 31 December 2020

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

Name	Attendance
Mrs. Oyinkan Ade- Ajayi	3
Rev. Isaac Agoye	3
Mr Peter Eshikena	3

The Committee held its meetings on 26 February, 9 September, 24 November 2020.

e. Management Team

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

The members of the Management Team are:

Mr. Bernard Langat	Managing Director
Mr. Marc Galjaard	Finance Director (Appointed 15 September 2020)
Mrs. Ore Famurewa	Corporate Affairs Director
Mr. Adewale Arikawe	Consumer Development and Shopper Marketing (Sales) Director
Mr. Tope- Phillips Aikhumelo	Human Resources Director
Mr. Chris Wulff-Caesar	Marketing Director
Mrs. Dolapo Otegbayi	Specialised Nutrition Director
Mr. Joel Ariori	Customer Supply Chain Director
Mr. Adekola Lamidi	Make (Production) Director

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

f. Analysis of Shareholdings

According to the register of members, as at 31 December 2020, the shareholding analysis of the Company is as follows:

Range	Number of shareholders	Holdings %	Number of shareholders	Holdings %
1 - 10,000	2,299	70.11	5,553,931	0.57
10,001 - 20,000	285	8.69	4,191,147	0.43
20,001 - 50,000	286	8.72	9,412,020	0.96
50,001 - 100,000	140	4.28	10,113,950	1.04
100,001 - 500,000	177	5.40	40,891,591	4.19
500,001 - 1,000,000	28	0.85	20,403,287	2.09
1,000,001 - 5,000,000	56	1.71	117,214,451	12.01
Above 5,000,000	8	0.24	768,555,559	78.71
	3,279	100	976,335,936	100
Nigerian public	3,278	99.96	314,258,004	32.19
FrieslandCampina Nigeria Holding B.V.	1	0.04	662,077,932	67.81
	3,279	100	976,335,936	100

g. Shareholders' Participation

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

Report of the Directors

For the year ended 31 December 2020

h. Code of Business Conduct and Ethics

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

i. Risk Management

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

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

The Board Audit and Risk Committee oversees how management monitors compliance with the Companies risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company

Comprehensive note on risk management is detailed on Page 85 - 90.

j. Share Dealing/Insider Trading

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

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

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

10 Statement of Compliance

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

11 Suppliers

- The Company's significant overseas suppliers are:
 - Cargill Deutschland GmbH, Germany
 - Damin Foodstuff Zhangzhou Co Ltd.
 - Dsm Nutritional Products Europe Ltd.
 - FC C.V.
 - FrieslandCampina Kievit B.V., The Netherlands
 - FrieslandCampina Nederland B.V., The Netherlands
 - Indeff FZ LLC
 - Maersk Logistics & Services
 - Tereos Starch & Sweetener
 - Tetra Pak Export FZ
 - Topec BV, The Netherlands
- The Company's significant local suppliers are:
 - Africa Access 3PL Limited
 - African Truckers Limited
 - Arvee Industries Limited
 - Avon Crowns Cap Nigeria Plc

Report of the Directors

For the year ended 31 December 2020

- Bollore Africa Logistics Nigeria Limited
- First Media Red Star Intl Company
- GMT Nigeria Limited
- Golden Oil Industries Limited
- Nampak Plc
- Presco Nigeria Limited
- Sonnex Packaging Nig Ltd.
- Supermaritime Nigeria Ltd.
- Veevee Paper Products Limited

12 Know-How and Licence Agreements

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

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

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

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

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

13 Safety, Health and Environment

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

14 E-Dividend

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

15 Donations

Making a positive contribution to society is central to our purpose. The Company recognises its responsibility to the communities in which it operates and remains committed to supporting these through targeted programmes and initiatives. In 2020, the Company made donations amounting to ₦615,659,348 (2019: ₦19,980,075) as follows:

Support to vulnerable groups against the spread of COVID-19	Amount in Naira
Support through Coalition Against COVID	500,000,000
Support through Lagos State Government	47,040,000
Support through Federal Ministry of Humanitarian Affairs, Disaster Management & Social Development	42,561,792
Support through other Organisations	21,101,445
	610,703,237

Report of the Directors

For the year ended 31 December 2020

Charity donations	Amount in Naira
Samaritan Project, Ebute Metta	164,197
Old People's Home Yaba	164,197
Franciscan Sisters of the Immaculate, Lekki - Peninsula	164,197
SOS Children's Village Isolo	164,197
Red Cross Adekunle Yaba	164,197
Compassionate Orphanage, Igando	164,197
Heart of Gold Orphanage, Surulere	164,197
Ovie Brume Foundation, Victoria Island	164,197
St. Monica Orphanage, Iju Ishaga	164,197
Little Saints Orphanage, Palm Grove	194,400
Heritage Homes, Anthony Village	164,197
Our Lady of Lourdes Maternity & Clinic Ipetunmodu, Osun State	164,196
Oluyole Cheshire Home Ibadan, Oyo State	164,196
Jesus Children Mission Outreach, Bodija, Ibadan, Oyo State	164,197
Winnie's Castle of Love Orphanage Home, Ibadan, Oyo State	164,197
Little Sisters of the Poor Awkunana, Enugu State	164,197
Marian Monastery, Enugu State	164,197
Marble House of Sarah Ibusa, Delta State	164,197
Dominican Sisters' College Abatete, Anambra State	164,197
Madonna School for the Handicapped, Okpanam, Delta State	164,197
Methodist Motherless Babies Home, Aba, Abia State	164,197
Seventh Day Adventist Motherless Babies Home - Aba, Abia State	164,197
Chims Motherless Home	164,197
Ufon Abasi Orphanage	164,197
Bert Torey Home for the Mentally Handicapped Children, Zaria	164,197
Adonai Orphanage Home & Widow Center	164,197
Our Lady's Hospital & Orphanage Zawan,	164,197
Bethsida Orphanage Ikachi Benue	164,197
Child Care Trust, Gwari Abuja	164,197
Mother's Welfare Group, Asokoro, Abuja	164,197
	4,956,111
	615,659,348

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

16 Auditors

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

BY ORDER OF THE BOARD

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

Lagos, Nigeria
25 February 2021

Statement of Directors' Responsibilities

For the year ended 31 December 2020

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

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

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Marc Galjaard
FRC/2021/001/00000022800



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



Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493

25 February, 2021

Statement of Corporate Responsibility

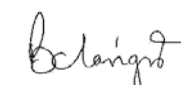
For the year ended 31 December 2020

In compliance with Section 405 of the Companies and Allied Matters Act 2020, we hereby confirm that we have examined the Audited Financial Statements for the accounting year ended 31 December 2020 and hereby certify 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.
- The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements.
- Appropriate internal controls are in place to ensure that material information relating to the Company is made known to the management by other officers of the Company, particularly during the period in which the audited financial statements report is being prepared.
- We evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements.
- The Company's internal controls are effective as of that date.
- We have disclosed to the company's Auditors and Audit Committee:
 - All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data.
 - That there was no material weaknesses in the company internal control during the period identified for the company's Auditors.
 - That there were no occasion of fraud that involves management or other employees who have a significant role in the Company's internal control.
- There has been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Marc Galjaard
FRC/2021/001/00000022800



Bernard Cheruiyot Langat
FRC/2017/MANUN/00000017493

Investor Relations

In our bid to continuously provide excellent service to our shareholders, we created an Investor's Portal on our website. An Investor's Portal provides access to the financial and other regulatory information that is needed by present and prospective investors.

The aim of our Investor's Portal is to promote shareholders' engagement with the activities of our Company by providing relevant information and creating an avenue for communication with our Company.

This portal was created as part of our Company's policy and in compliance with the Corporate Governance regulations on ensuring an open line of communication with all shareholders and investors. The Investor's Portal is hosted on our Company's website and is easily accessible through our Company's website or via the link <https://www.frieslandcampina.com.ng/shareholders-corner/>.

The portal contains important information for the benefit of investors and interested parties. A summary of the portal's objectives include the following:

- i. Creating an avenue for shareholders to easily access essential information e.g. financial information, unclaimed dividend list, essential updates and news, quarterly, half-year and annual reports;
- ii. Establishing a standard approach to handling complaints, contributions, questions, suggestions and clarifications from investors;
- iii. Ensuring that shareholders are able to easily access and download essential documents e.g. E-dividend form, E-product activation form, shareholder's update form.
- iv. Establishing a virtual archive for essential information on our Company for investors covering at least three years;
- v. Ensuring that all correspondence (complaints, contributions, questions, suggestions and clarifications) received from investors are received and managed in a fair, efficient and timely manner.

Therefore, shareholders are encouraged to visit our Investor's Portal for easy access to documents and news concerning the Company. Some relevant information provided by our Company on the Investor Portal include but are not limited to:

- a. Company's policies;
- b. Financial results (unaudited, quarterly, half year, annual);
- c. Unclaimed dividend list;
- d. E-dividend mandate form;
- e. E-product activation form;
- f. Shareholder data update form.

All documents are uploaded in a downloadable format for easy access and use by shareholders. We encourage feedback from our shareholders because we are constantly looking for ways to better satisfy their expectations.

All questions, suggestions, clarifications and complaints related to investors' relations can be sent through our Registrars; First Registrars and Investor Services Limited.

Shareholders who require additional information may reach out to our Company Secretarial department through the email address provided on the site (investors.relations@frieslandcampina.com).

All correspondence from shareholders are prioritized and promptly attended to, therefore shareholders are encouraged to use the contact information provided.

Board visit to Ikorodu Plant

February 25th, 2020: The Company's Board of Directors led by the Chairman, Mr. Jacobs Moyo Ajekigbe, visited the newly acquired Ikorodu Plant as part of its Board meeting agenda.

While at the site, the Make Director and Plant Manager took the Board on a comprehensive tour of the Plant. The directors also had the opportunity to see the live production of Three Crowns at the Plant's evaporated milk factory.

At the end of the visit, the Board of Directors commended the Plant team for a job well done and urged them to surpass their targets.

The acquisition of Ikorodu Plant, 20 kilometres from the Company's site in Ogba, was completed in late September. Two days after, the first filled cans of Three Crowns milk rolled off the conveyer belt. Since then, the Plant has maintained its progress.



Wide Range Of Product Offerings

We appeal to the hearts and minds of our consumers to make the Peak brand their preferred choice of dairy products.



Report of the Audit Committee

To the members of FrieslandCampina WAMCO Nigeria PLC
For the year ended 31 December 2020

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

1. Reviewed the scope and planning of the audit requirements and found them adequate in our opinion.
2. Reviewed the financial statements for the year ended 31 December 2020 and are satisfied with the explanations obtained;
3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2020 are in accordance with legal requirements and agreed ethical practices.
4. Reviewed the effectiveness of the Company's system of accounting and internal control through a robust internal control framework.
5. Reviewed the External Auditor's management letter for the year ended 31 December 2020 and are satisfied with response from Management.

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

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

At the beginning of this year, our Committee suffered a terrible loss. Our member, Chief Godwin Emodi (a shareholder representative) on the Committee, passed away after a brief illness. His role in the growth of our Company can't be overstated and we will all miss his positivity and valuable contributions to the Audit Committee. May his soul rest in peace.



Rev. Isaac Agoye
Chairman, Audit Committee
FRC/2015/ICAN/00000013104
Dated: 19 February 2021

Members of the Committee

Rev. Isaac Agoye - Chairman
Chief Godwin Emodi (Deceased)
Mr. Peter Eshikena

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

Independent Auditor's Report

For the year ended 31 December 2020



Independent auditor's report

To the Members of FrieslandCampina WAMCO Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, FrieslandCampina WAMCO Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

FrieslandCampina WAMCO Nigeria Plc's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

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

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

Other information

The directors are responsible for the other information. The other information comprises the Financial Highlights, Notice of Annual General Meeting, Chairman's Statement, Board of Directors' Profile, Management Team Profile, Directors and Other Corporate Information, Report of the Directors, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Investor Relations, Report of the Audit Committee, Value Added Statement, Five-Year Financial Summary, Other Company Activities, Corporate Directory, Proxy Form, E-Dividend Activation Form and E-Products Activation Form (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and

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

Independent Auditor's Report

For the year ended 31 December 2020



the other sections of the FrieslandCampina WAMCO Nigeria Plc 2020 Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the other sections of the FrieslandCampina WAMCO Nigeria Plc 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

Independent Auditor's Report

For the year ended 31 December 2020



may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

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

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



12 April 2021

Statement of Financial Position

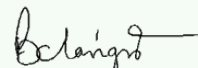
As at 31 December 2020

In thousands of naira	Note	2020	2019
Assets			
Property, plant and equipment	12	44,671,480	34,562,400
Right of Use Asset	13	1,118,193	-
Intangible assets	15	2,309,169	616,522
Prepayments	16	17,006	54,955
Total non-current assets		48,115,848	35,233,877
Inventories	18	31,308,968	24,908,950
Biological assets	14	189,848	-
Trade and other receivables	19	17,986,655	14,797,025
Prepayments	16	17,491,513	22,360,795
Derivative assets	20(a)	2,867,272	1,404,116
Cash and cash equivalents	20(b)	88,702,534	7,857,211
Total current assets		158,546,790	71,328,097
Total assets		206,662,638	106,561,974
Equity			
Share capital	21(a)	488,168	488,168
Share premium	21(a)	350,211	350,211
Retained earnings		25,452,534	23,396,602
Total equity attributable to owners of the Company		26,290,913	24,234,981
Liabilities			
Employee benefits	22	1,367,827	882,649
Deferred tax liabilities	17	7,012,917	5,968,954
Loans and borrowings	24(b)	9,722,395	-
Lease liabilities	25	791,455	-
Total non-current liabilities		18,894,594	6,851,603
Current tax liabilities	10(b)	6,205,189	4,856,350
Trade and other payables	23	92,318,922	68,532,097
Loans and borrowings	24(a)	62,853,020	2,086,943
Lease liabilities	25	100,000	-
Total current liabilities		161,477,131	75,475,390
Total liabilities		180,371,725	82,326,993
Total equity and liabilities		206,662,638	106,561,974

The financial statements on pages 50 to 99 were approved by the Board of Directors on 25 February 2021 and signed on its behalf by:



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



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



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

The accompanying notes and significant accounting policies on pages 55 to 96 form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

In thousands of naira	Note	2020	2019
Continuing operations			
Revenue from contracts with customers	5	199,527,906	161,831,064
Cost of sales	7(a)	(159,232,853)	(121,903,495)
Gross profit		40,295,053	39,927,569
Other income	8	750,812	1,462,610
Selling and distribution expenses	7(a)	(15,994,528)	(15,134,185)
Administrative expenses	7(a)	(5,676,577)	(5,470,381)
Writeback on financial assets	26	46,734	1,593
Results from operating activities		19,421,494	20,787,206
Finance income	6	1,464,539	176,389
Finance costs	6	(5,946,784)	(2,210,877)
Net finance expense		(4,482,245)	(2,034,488)
Profit before income tax	7(b)	14,939,249	18,752,718
Income tax expense	10(a)	(6,160,363)	(6,388,708)
Profit for the year		8,778,886	12,364,010
Other comprehensive income			
Defined benefit plan actuarial loss	22(b)	(105,866)	(19,168)
Income tax on other comprehensive income	10(c)	31,760	5,750
Other comprehensive income for the year, net of income tax		(74,106)	(13,418)
Total comprehensive income for the year		8,704,780	12,350,592
Profit for the year is attributable to:			
Owners of the Company		8,778,886	12,364,010
Total comprehensive income for the year is attributable to:			
Owners of the Company		8,704,780	12,350,592
Earnings per share			
Basic and diluted earnings per share (naira)	11	8.99	12.66

The accompanying notes and significant accounting policies on pages 55 to 96 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2020

In thousands of naira	Note	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2019		488,168	350,211	19,872,085	20,710,464
Total comprehensive income					
Profit for the year		-	-	12,364,010	12,364,010
Other Comprehensive income					
Defined benefit plan actuarial loss, net of tax		-	-	(13,418)	(13,418)
Total comprehensive income for the year		-	-	12,350,592	12,350,592
Transactions with owners, recorded directly in equity					
Dividends	21(b)	-	-	(8,826,075)	(8,826,075)
Balance as at 31 December 2019		488,168	350,211	23,396,602	24,234,981
Balance at 1 January 2020		488,168	350,211	23,396,602	24,234,981
Total comprehensive income					
Profit for the year		-	-	8,778,886	8,778,886
Other comprehensive income					
Defined benefit plan actuarial loss, net of tax		-	-	(74,106)	(74,106)
Total comprehensive income for the year		-	-	8,704,780	8,704,780
Transactions with owners, recorded directly in equity					
Dividends	21(b)	-	-	(6,648,848)	(6,648,848)
Balance as at 31 December 2020		488,168	350,211	25,452,534	26,290,913

The accompanying notes and significant accounting policies on pages 55 to 96 form an integral part of these financial statements.

Statement of Cashflows

For the year ended 31 December 2020

In thousands of naira	Note	2020	2019
Cash flows from operating activities			
Profit before tax		14,939,249	18,752,718
Adjustments for:			
Depreciation	12	3,115,430	2,567,928
Amortisation of intangible assets	15	123,183	81,427
Depreciation-Right of use asset	13	17,827	-
Impairment loss of property, plant & machinery	12	-	7,117
Long service award expense	22(a)	408,652	260,167
Unrealised fair value change in derivatives		(1,463,156)	(1,130,667)
Other post employment benefit expense	22(b)	47,578	35,869
Interest income	6	(398,843)	(167,773)
Interest expense	6	2,850,908	2,210,877
Impact of exchange rate valuation		3,018,335	(220,884)
Loss/(gain) on disposal of property, plant and equipment		20,091	(10,124)
		22,679,254	22,386,655
Change in working capital:			
Inventories		(6,400,018)	(1,181,648)
Trade and other receivables		(3,153,746)	4,125,558
Prepayments		4,907,231	(15,030,365)
Trade and other payables*		32,273,214	11,596,162
Cash generated from operating activities		50,305,935	21,896,362
Income tax paid	10(b)	(3,759,829)	(3,926,253)
Long service award benefits paid	22	(76,918)	(43,022)
Net cash flow from operating activities		46,469,188	17,927,087
Cash flow from investing activities			
Finance income			
Proceeds from sale of property, plant and equipment		398,843	166,663
Acquisition of intangible assets		34,566	27,942
Acquisition of right of use asset		(1,791,801)	(697,949)
Acquisition of biological asset		(244,566)	-
Acquisition of property, plant and equipment		(189,848)	-
Net cash used in investing activities	12	(13,279,167)	(9,649,817)
		(15,071,973)	(10,153,161)
Cash flow from financing activities			
Interest paid		(2,850,908)	(1,572,800)
Dividends paid	21(b)	(18,221,269)	(7,941,559)
Non current loans and borrowings		9,722,395	-
Proceeds/(repayment) of loans and borrowings		60,765,150	(3,669,183)
Net cash used in financing activities		49,415,368	(13,183,542)
Net (decrease)/increase in cash and cash equivalents		80,812,583	(5,409,614)
Cash and cash equivalent at 1 January	20(b)	7,857,211	13,658,339
Effect of exchange rate fluctuations on cash held		32,740	(391,514)
Cash and cash equivalent at 31 December	20(b)	88,702,534	7,857,211

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

The accompanying notes and significant accounting policies on pages 55 to 96 form an integral part of these financial statements.



Peak Protein Breakfast Keeps You Going



One serving only gives a portion of RDI of energy
(see nutritional table). Multiple servings advised.

Reach for your Peak

Notes to the Financial Statements

For the year ended 31 December 2020

	Page
1 Reporting Entity	56
2 Basis of Preparation	56
3 Significant Accounting Policies	56
4 Use of Judgements and Estimates	68
5 Revenue	70
6 Finance Income and Finance Cost	71
7a Analysis of Expenses by Nature	71
7b Profit Before Taxation	72
7c Rent of Premises	72
8 Other Income	72
9 Personnel Expenses	73
10 Income Taxes	75
11 Earnings Per Share	76
12 Property, Plant and Equipment	77
13 Right of Use Asset	79
14 Biological Assets	80
15 Intangible Assets	80
16 Prepayments	81
17 Deferred Tax Liabilities	81
18 Inventories	82
19 Trade and Other Receivables	82
20a Derivatives	82
20b Cash and Cash Equivalent	83
21 Capital and Reserves	83
22 Employee Benefit Liabilities	84
23 Trade and Other Payables	87
24a Current Loans and Borrowings	88
24b Non Current Loans and Borrowings	88
25 Lease Liabilities	88
26 Financial Risk Management and Financial Instruments	89
27 Operating Leases	94
28 Contingencies	94
29 Related Parties	95
30 Subsequent Events	96

Notes to the Financial Statements

For the year ended 31 December 2020

1 Reporting Entity

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

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

2 Basis of Preparation

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. They were authorised for issue by the Company's Board of Directors on 25 February 2021.

The financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

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

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

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

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

3 Significant Accounting Policies

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

a) Foreign Currency Transactions

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

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

b) Financial Instruments

i) Classification and measurement

Financial assets

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

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

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

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

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

Derivative assets are recognized at fair value.

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

Financial liabilities

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

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Company has no financial liabilities measured at fair value through profit or loss.

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

ii) Impairment of financial assets

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

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

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

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

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

Significant increase in credit risk and default definition

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

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

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

iii) Derecognition

Financial assets

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

Financial liabilities

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

iv) Offsetting of financial assets and financial liabilities

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

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

c) Property, Plant and Equipment

i. Recognition and measurement

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

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

ii. Subsequent costs

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

iii. Depreciation

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

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

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

d) Intangible Assets

i. Software

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

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

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

Computer software amortization is 5 years.

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

e) Related Parties

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

f) Leases

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

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

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

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

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

Determining whether an arrangement is, or contains, a lease

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

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

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

Initial recognition

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

Right of use asset

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

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

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

Lease liabilities

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

Subsequent measurement

Right of use asset

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

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

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

Lease liability

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

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

g) Inventories

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

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

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

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

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

h) Biological Assets (Agricultural Assets)

Agricultural assets comprise tangible assets related to agricultural activity:

- (a) biological assets (defined as a living animal or plant);
- (b) harvested product of the entity’s biological assets (agricultural produce).

This policy is only applied to agricultural produce at the point of harvest. Thereafter, the accounting policy Inventories or another applicable policy is applied. As such, raw milk is in scope of the accounting policy Inventories.

Agricultural assets are recognised at its fair value less costs to sell, except for the case where the fair value cannot be measured reliably;

Agricultural produce harvested from an entity’s biological assets shall be measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying the accounting policy Inventories (e.g. raw milk) or another applicable accounting policy;

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

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

i) Employee Benefits

i. Defined contribution plans

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

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

ii. Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the net of any unrecognised past service cost and actuarial losses plus the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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

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

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

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

iii. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The company's other long-term employee benefits comprise of a long service award scheme that it has for its employees. The Company's liability with respect to this scheme is determined by an independent actuarial valuation every year by discounting to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized in profit or loss in the period they arise. The effect of any curtailment

Notes to the Financial Statements

For the year ended 31 December 2020

is also charged in full in profit or loss immediately when the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the company's obligation. The Company ensures that adequate arrangements are in place to meet its obligations under the scheme. The other long-term employee benefits is unfunded.

iv. Termination benefits

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

v. Short-term employee benefits

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

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

j) Provisions

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

k) Contingent Liabilities

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

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

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

l) Revenue Recognition

The Company has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies in the financial statements. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

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

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

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

Sale of goods

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

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

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

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

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

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

Disaggregation of revenue from contract with customers

The Company recognises revenue from the transfer of goods at a point in time. The Company derives revenue from different regions.

	Sales of domestically produced goods ₦'000	Sales of imported goods ₦'000
Sales of goods	183,718,559	15,809,347

m) Finance Income and Finance Costs

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

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

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

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

n) Tax

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

Notes to the Financial Statements

For the year ended 31 December 2020

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

Deferred tax is not recognized for the following temporary differences:

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

o) Earnings Per Share

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

p) Segment Reporting

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

q) Dividends

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

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

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

r) Statement of Cash Flows

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

s) New Standards, Amendments and Interpretations Adopted by the Company

The Company has applied the following standards for the first time for the annual reporting period commencing 1 January 2020:

IFRS 16 - Leases (effective 1 January 2019)
IFRIC 23 - Uncertainty over income tax treatments (effective 1 January 2019)

IFRS 16 was issued in January 2016 but became effective on 1 January 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The Company has applied the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. The standard for leases is mandatory for financial years commencing on or after 1 January 2019.

t) New Standards and Interpretations not yet Adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. Management is yet to assess the effect of the following standards on the financial statements of the Company.

Conceptual framework for financial reporting - Revised (effective date - 1 January 2020)
These amendments were issued in March 2018. Included in the revised conceptual framework are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The amendments focused on areas not yet covered and areas that had shortcomings.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Notes to the Financial Statements

For the year ended 31 December 2020

4 Use of Judgements and Estimates

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

a) Judgements

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

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

b) Assumptions and Estimations Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 is included in the following notes:

Defined benefit obligations

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

Income taxes and Deferred tax

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

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed note 23.

Estimation of useful life

The estimation of the useful lives and residual values of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

4 Fair Value Measurement

Financial instruments measured at fair value

	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Recurring fair value measurement 2020				
Financial assets				
Derivative asset	-	2,867,272	-	2,867,272
Recurring fair value measurement 2019				
Financial assets				
Derivative asset	-	1,404,116	-	1,404,116

Valuation techniques used to determine fair value

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

Financial instruments not measured at fair value

In thousands of naira	2020		2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	88,702,534	88,702,534	7,857,211	7,857,211
Trade and other receivables	17,986,655	17,986,655	14,797,025	14,797,025
	106,689,189	106,689,189	22,654,236	22,654,236
Financial Liabilities				
Trade and other payables	92,318,922	92,318,922	68,532,097	68,532,097
Borrowings	72,575,415	72,575,415	2,086,943	2,086,943
	164,894,337	164,894,337	70,619,040	70,619,040

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

Fair Value Methods and Assumptions

(a) Financial instruments in level 1

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

(b) Financial instrument in level 2

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

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

Specific valuation techniques used to value financial instruments include:

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

Derivative assets are included in this level.

(c) Financial instruments in level 3

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

Transfers between the fair value hierarchy categories

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

5 Revenue

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

In thousands of naira	2020	2019
Local	199,167,003	161,540,397
Export (Note 29 (c) (ii))	360,903	290,667
	199,527,906	161,831,064

The revenue in 2020 relates only to revenue from contract with customers.

6 Finance Income and Finance Cost

In thousands of naira	2020	2019
Interest income on short term deposit	398,843	167,773
Foreign exchange gain, net	1,065,696	8,616
Finance income	1,464,539	176,389
Interest expense on overdrafts, loans and borrowings	(2,850,908)	(2,210,877)
Foreign exchange loss, net	(3,095,876)	-
Finance costs	(5,946,784)	(2,210,877)
Net finance costs	(4,482,245)	(2,034,488)

7(a) Analysis of Expenses by Nature

In thousands of naira	2020	2019
Finished goods, raw materials and consumables	143,971,108	108,625,797
Transportation cost	3,521,002	3,391,738
Technical service and royalty expenses	4,559,415	4,423,295
Advertisement and promotion costs	5,874,670	6,840,373
Market research expenses	283,470	216,133
Agency personnel cost	864,923	873,627
Employee benefit expense	10,722,142	8,802,989
Non-executive Directors' remuneration	75,263	74,257
Depreciation of property plant and equipment	3,115,430	2,567,928
Depreciation of right of use asset	17,827	-
Amortisation of intangible assets	123,183	81,427
Impairment on property, plant & equipment	-	7,117
Equipment and machinery rental	101,276	107,084
Rent of premises	165,746	118,506
Audit Fees	30,900	25,058
Non-Audit Fees to Statutory Auditors (PwC)*	-	4,200
Professional fees	386,883	222,223
Maintenance	1,856,511	1,565,990
Fuel and gas expenses	1,337,660	1,313,087
Meeting and conference expenses	164,926	152,453
Travel and hotel expenses	75,300	329,053
Information and Communications Technology (ICT) expenses	1,473,906	1,451,776
Insurance expenses	611,636	726,679
Loss/(gain) on the sale of property, plant and equipment	20,091	(10,124)
Facility expenses	498,347	185,505
Bank charges	138,310	139,578
Staff welfare and development	163,867	143,441
Office administration & supplies	134,507	108,891
Donations	615,659	19,980
Total cost of sales, selling, distribution and administrative expenses	180,903,958	142,508,061
Summarised as follows:		
Cost of sales	159,232,853	121,903,495
Selling and distribution expenses	15,994,528	15,134,185
Administrative expenses	5,676,577	5,470,381
	180,903,958	142,508,061

* No non-audit services were provided by our auditors in 2020. Details of other professionals providing other forms of assurance on the financial statements are disclosed in note 22.

Notes to the Financial Statements

For the year ended 31 December 2020

7(b) Profit Before Tax

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

In thousands of naira	Note	2020	2019
Amortisation of intangible assets	15	123,183	81,427
Audit Fees		30,900	25,058
Depreciation of property, plant and equipment	12	3,115,430	2,567,928
Depreciation of right of use asset	13	17,827	
Impairment of property, plant and equipment	12	-	7,117
Non-executive directors' fees	9(c)	1,840	2,120
Loss/(gain) on disposal of property, plant and equipment		20,091	(10,122)
Equipment and machinery rental		101,276	107,084
Operating lease payments - Business premises		165,746	118,506
Employee benefit expenses	9(a)	10,722,142	8,802,989
Technical service and royalty expenses	29(c) (i)	4,559,415	4,423,295

7(c) Rent of Premises

In thousands of naira	2020	2019
Operating lease payments - Business premises	165,746	118,506
Rent of premises	165,746	118,506

8 Other Income

In thousands of naira	2020	2019
Insurance income*	-	808,749
Fair value gain/(loss) on derivatives	783,552	1,130,667
Loss on translation of foreign currency balances	(32,740)	(476,806)
	750,812	1,462,610

*The insurance income in 2019 represents insurance settlement of business interruption as a result of the fire incidence of 6 January 2017. There was no insurance income received in 2020, (2019: ₦808,749).

9 Personnel Expenses

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

In thousands of naira	2020	2019
Salaries, wages and allowances*	9,471,253	7,827,197
Contributions to compulsory pension fund scheme	794,660	679,757
Employee benefits expenses	456,229	296,035
	10,722,142	8,802,989

* The increase is due to restructuring costs, increase in provision for long term service award as a result of the decrease in discount rate from 14% to 8.5% with respect to the actuarial valuation and general salary increase.

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

	2020 Number	2019 Number
₦ -	-	1
790,001 - 1,290,000	20	29
1,290,001 - 1,790,000	31	143
1,790,001 - 2,290,000	717	564
2,290,001 and above	768	737

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

	2020 Number	2019 Number
Production	443	348
Supply chain	62	62
Sales and Marketing	202	222
General Administration	61	105
	768	737

(c) Remuneration of Managers of the Company

In thousands of naira	2020	2019
Remuneration paid to Managers of the Company	462,091	-

Disclosure requirement of the remuneration of Managers of the Company became effective in 2020.

Notes to the Financial Statements

For the year ended 31 December 2020

(d) Chairman and directors remuneration

Remuneration paid to directors of the Company was as follows:

In thousands of naira	2020	2019
Executive directors*	148,294	131,700
Directors fees - Non-executive	1,840	2,120
Other emoluments (Non-executive Directors)	73,423	72,136
	223,557	205,956

Out of the three executive directors, one was appointed 15 September 2020 and thus his 2020 remuneration was for three and a half months, while his predecessor worked for six months.

The directors' remuneration shown above includes:

In thousands of naira	2020	2019
Chairman's fees	440	440
Chairman's gross emoluments (excluding fees)	12,449	11,521
Highest paid Director	71,727	58,652

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

	2020 Number	2019 Number
₦ - ₦		
6,000,001 - 8,000,000	-	-
8,000,001 - 10,000,000	-	-
10,000,001 - 12,000,000	1	7
12,000,000 - 14,000,000	6	-

10 Income Taxes

(a) Amounts recognised in profit or loss

In thousands of naira	2020	2019
Current tax expense		
Current year tax	4,983,084	4,201,735
Current year tertiary education tax	407,972	376,165
Writeback of excess accruals	-	-
	5,391,056	4,577,900
Deferred tax expense		
Origination and reversal of temporary differences Note 15	769,307	1,798,889
Adjustments recognized in the current period in relation to the deferred tax of prior periods	-	11,919
Total income tax expense recognised in profit or loss	6,160,363	6,388,708

(b) Current Tax Liabilities

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

In thousands of naira	2020	2019
At 1 January	4,856,350	4,210,453
Current tax expense Note 10 (a)	5,391,056	4,577,900
Over provision prior period	(282,388)	-
Defined benefit plan actuarial gain/(loss)	-	(5,750)
Payments in the year	(3,759,829)	(3,926,253)
At 31 December	6,205,189	4,856,350

(c) Amounts Recognised directly in Other Comprehensive Income

In thousands of naira	2020	2019
Loss in remeasurement of defined benefit liability Note 20(b)	105,866	19,168
Tax expense	(31,760)	(5,750)
	74,106	13,418

Notes to the Financial Statements

For the year ended 31 December 2020

(d) Reconciliation of Effective Tax Rate

In thousands of naira	2020	2020	2019	2019
Profit before income tax		14,939,249		18,752,718
		14,939,249		18,752,718
Income tax using the Company's domestic tax rate	30.00%	4,481,775	30.00%	5,625,815
Tertiary education tax	2.73%	407,972	2.01%	376,165
Tax effect of:				
Non deductible expenses	19.03%	2,842,615	3.10%	580,443
Exempt income	-5.74%	(857,614)	-0.47%	(87,200)
Deferred education tax	0.00%	-	0.25%	46,736
Prior year under (over) provision	0.00%	-	0.00%	-
Change in recognised deductible temporary differences	-6.40%	(956,339)	0.06%	11,919
Tax incentive	1.62%	241,954	-0.88%	(165,170)
	41.24%	6,160,363	34.07%	6,388,708

11 Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the profit attributable to ordinary shareholders of ₦8,778,886,000 (2019: ₦12,364,010,000) and the weighted average number of ordinary shares outstanding of 976,335,936 (2019: 976,335,936).

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

In thousands of naira	2020	2019
Profit attributable to shareholders (₦'000)	8,778,886	12,364,010
Number of ordinary shares in issue (thousands)	976,336	976,336
Basic and diluted earnings per share (Naira)	8.99	12.66

12 Property, Plant and Equipment

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

In thousands of naira	Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Assets under construction	Total
Cost							
Balance at 1 January 2019	1,607,967	8,049,453	18,606,739	3,309,420	1,564,525	5,940,096	39,078,200
Additions	-	-	-	-	-	9,649,817	9,649,817
Transfers	-	601,702	3,820,214	963,451	996,574	(6,381,941)	-
Disposals	-	-	-	(271,012)	(9,282)	-	(280,294)
Balance at 31 December 2019	1,607,967	8,651,155	22,426,953	4,001,859	2,551,817	9,207,972	48,447,723
Balance at 1 January 2020	1,607,967	8,651,155	22,426,953	4,001,859	2,551,817	9,207,972	48,447,723
Additions*	2,150,000	2,417,633	1,410,129	54,899	81,525	7,164,981	13,279,167
Transfers	-	896,870	7,531,828	821,439	710,348	(9,960,485)	-
Disposals**	-	-	(57,265)	(51,835)	(279,420)	-	(388,520)
Balance at 31 December 2020	3,757,967	11,965,658	31,311,645	4,826,362	3,064,270	6,412,468	61,338,370
Depreciation							
Balance at 1 January 2019	461,746	2,079,837	6,301,275	1,826,427	903,469	-	11,572,754
Depreciation for the year	66,894	407,386	1,168,623	701,462	223,563	-	2,567,928
Disposals	-	-	-	(261,674)	(802)	-	(262,476)
Impairment	-	-	7,117	-	-	-	7,117
Balance at 31 December 2019	528,640	2,487,223	7,477,015	2,266,215	1,126,230	-	13,885,323
Balance at 1 January 2020	528,640	2,487,223	7,477,015	2,266,215	1,126,230	-	13,885,323
Depreciation for the year	65,513	438,615	1,575,092	757,821	278,389	-	3,115,430
Disposals**	-	-	(16,652)	(51,835)	(265,377)	-	(333,863)
Balance at 31 December 2020	594,153	2,925,838	9,035,455	2,972,201	1,139,242	-	16,666,890
Carrying amounts							
At 31 December 2019	1,079,327	6,163,932	14,949,938	1,735,644	1,425,587	9,207,972	34,562,400
At 31 December 2020	3,163,814	9,039,820	22,276,189	1,854,161	1,925,028	6,412,468	44,671,480

*The additions during the year, excluding assets under construction, relate to the acquisition of property, plant and equipment from Nutricima Limited.

** ₦115.07 million of the assets disposed and ₦51.8 million (total disposal value is ₦388.5 million) relate to old computers that were no longer compatible with the current operating system and motor vehicles sold as scrap to staff and Key Business Partners (KBPs) respectively. The motor vehicles resulted in an asset disposal gain of ₦34.6 million and the computer in a loss of N14 million. Also, there was a loss of ₦40.6 million in the generator sets disposed, (total disposal loss is ₦20.1 million).

Notes to the Financial Statements

For the year ended 31 December 2020

(a) The result on disposal of Property, Plant and Equipment is as follows:

In thousands of naira	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Total
2019					
Cost	-	-	271,012	9,282	280,294
NBV at Disposal	-	-	9,338	8,480	17,818
Sales Proceeds	-	-	19,223	8,719	27,942
Profit/(Loss) on Diposal	-	-	9,885	239	10,124
2020					
Cost	-	57,265	51,835	279,420	388,521
NBV at Disposal	-	40,614	-	14,044	54,658
Sales Proceeds	-	-	34,567	-	34,567
Profit/(Loss) on Diposal	-	(40,614)	34,567	(14,044)	(20,091)

(b) Property, Plant and Equipment Under Construction

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

In thousands of naira	2020	2019
Buildings	757,819	9,464
Plant and machinery	5,355,570	8,970,495
Others	1,051,592	669,858
	7,164,981	9,649,817

At year end, the Company had various ongoing capital projects which included, upgrade of Ikorodu Plant, End of Line for Powder Plant, IPP project, Dairy Development Programme, plant & building upgrades and expansion of factory capacity. The projects are expected to be completed in 2021.

No borrowing costs were capitalised in the current year as the assets were not funded through interest bearing borrowings (2019: Nil).

(c) Capital Commitments

The approved capital expenditure already committed as at reporting date was ₦1.4 billion (2019: ₦1.6 billion). Capital expenditure approved not contracted amounted to Nil (2019: Nil). Capital expenditure will be funded from the Company's internal resources.

(d) There was no property, plant and equipment that was pledged as security for borrowings at year-end (2019: Nil).

(e) Assets Held on Finance Lease

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

In thousands of naira	2020	2019
Cost	3,757,967	1,607,967
Accumulated depreciation	(594,153)	(528,640)
Carrying amount	3,163,814	1,079,327

The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards of ownership incidental to ownership of the land to the Company. The increase in the value of the land is due to the acquisition of Nutricima Limited's dairy business.

13 Right of Use Asset

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

In thousands of naira	Warehouse	Land	Total
Cost			
Balance at 1 January 2020	-	-	-
Additions	244,566	891,454	1,136,020
Balance at 31 December 2020	244,566	891,454	1,136,020
Depreciation and impairment losses			
Balance at 1 January 2020	-	-	-
Depreciation for the year	17,827	-	17,827
Balance at 31 December 2020	17,827	-	17,827
Carrying amounts			
At 1 January 2020	-	-	-
At 31 December 2020	226,739	891,454	1,118,193

Right of use asset includes ₦891million which is as a result of the accounting for lease of Bobi grazing reserve in Niger State (Refer to note 25).

Notes to the Financial Statements

For the year ended 31 December 2020

14 Biological Assets

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

In thousands of naira	2020	2019
Cost		
Balance at 1 January 2020	-	-
Additions	189,848	-
Balance at 31 December 2020	189,848	-
Amortisation and impairment losses		
Balance at 1 January	-	-
Amortisation for the year	-	-
Balance at 31 December	-	-
Carrying amounts		
At 1 January 2020	-	-
At 31 December 2020	189,848	-

15 Intangible Assets

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

In thousands of naira	Goodwill	Software	Total
Cost			
Balance at 1 January 2019	-	-	-
Additions	-	697,949	697,949
Balance at 31 December 2019	-	697,949	697,949
Balance at 1 January 2020	-	697,949	697,949
Additions	1,783,506	32,324	1,815,830
Balance at 31 December 2020	1,783,506	730,273	2,513,779
Amortisation and impairment losses			
Balance at 1 January 2019	-	-	-
Amortisation for the year	-	81,427	81,427
Balance at 31 December 2019	-	81,427	81,427
Balance at 1 January 2020	-	81,427	81,427
Amortisation for the year	-	123,183	123,183
Balance at 31 December 2020	-	204,610	204,610
Carrying amounts			
At 31 December 2019	-	616,522	616,522
At 31 December 2020	1,783,506	525,663	2,309,169

Goodwill is as a result of the acquisition of Nutricima Limited's dairy business in Nigeria.

16 Prepayments

In thousands of naira	2020	2019
Employee accommodation	32,343	65,807
Business premises	82,742	154,980
Deposit for imports	16,237,361	20,918,903
Prepaid expenses	1,156,073	1,276,060
	17,508,519	22,415,750
Non-current prepayments		
Current prepayments	17,006	54,955
	17,491,513	22,360,795
	17,508,519	22,415,750

a) Deposit for imports represents prepayments for imports made to the bank by the Company (₦16.24 billion in 2020 and ₦18.83 billion in 2019) and GMT Limited (Nil in 2020 and ₦2.09 billion in 2019); the Company's logistics provider to purchase inventory. As at year end, this amount is held by the bank for settlement of the foreign supplier.

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

17 Deferred Tax Liabilities

Deferred tax liability/(asset)

In thousands of naira	2020	2019
Property, plant & equipment	6,766,702	5,257,355
Employee benefit	(547,906)	(239,703)
Foreign exchange loss	(5,178)	(5,299)
Foreign exchange gain	799,299	956,601
Net deferred tax liability	7,012,917	5,968,954

In thousands of naira	Property, plant & equipment	Employee benefit	Foreign exchange loss	Foreign exchange gain	Total
Balance 1 January 2019	4,194,323	(195,379)	(226,258)	385,458	4,158,144
Recognised in profit or loss	1,063,032	(44,324)	220,959	571,143	1,810,810
Balance 31 December 2019	5,257,355	(239,703)	(5,299)	956,601	5,968,954
Deferred tax in respect of acquisition of Nutricima Limited's business	24,028	-	-	-	24,028
Prior period adjustment/reclassification	(100,044)	(3,026)	-	385,459	282,389
Recognised in profit or loss	1,585,363	(273,417)	121	(542,761)	769,306
Recognised in other comprehensive income	-	(31,760)	-	-	(31,760)
Balance 31 December 2020	6,766,702	(547,906)	(5,178)	799,299	7,012,917

At 31 December 2020, there is no unrecognised deferred tax asset or liability (2019: Nil).

Notes to the Financial Statements

For the year ended 31 December 2020

18 Inventories

In thousands of naira	2020	2019
Raw and packaging material	9,731,064	5,751,631
Finished goods	3,200,706	4,943,368
Goods in transit	14,897,256	11,329,235
Spare parts and tools	3,479,942	2,884,716
	31,308,968	24,908,950
Inventories are stated after deducting allowance for obsolescence amounting to:	136,519	305,411

19 Trade and Other Receivables

In thousands of naira		2020	2019
Trade receivables	Note 26 (a)ii	5,021,810	11,743,220
Insurance claim receivable		292,907	641,930
Due from related parties	Note 29 (c)ii	732,584	287,076
Other receivables	Note 19 (i)	11,939,354	2,124,799
Trade and other receivables		17,986,655	14,797,025

(i) This includes refundable Non Deliverable Forwards (NDF) margin (₦4.5 billion), reimbursable VAT input (₦4 billion), Export Expansion Grant (EEG) receivable (₦0.94 billion), advances made by the Company to vendors amounting to ₦1.18 billion during the year (2019: ₦0.96 billion). The Company's exposure to credit and currency risks, and impairment losses related to loans and receivables are disclosed in Note 26.

20a Derivatives

In thousands of naira	2020	2019
Derivative assets	2,867,272	1,404,116

The derivative asset arose from forward contracts entered with respect to the foreign currency funding of Letters of Credit (LC). These LCs were opened for the importation of raw materials and finished goods.

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

20b Cash and Cash Equivalents

In thousands of naira	2020	2019
Cash and bank balances	81,201,738	7,394,490
Short term deposits	7,500,796	462,721
Cash and cash equivalents	88,702,534	7,857,211
Net cash and cash equivalents included in the statement of cash flows	88,702,534	7,857,211

21 Capital and Reserves

(a) Ordinary Shares

(i) Authorised ordinary shares of ₦0.50 each

In thousands of naira	2020	2019
At 1 January	1,000,000	1,000,000
At 31 December	1,000,000	1,000,000

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

In thousands of naira	2020	2019
At 1 January	976,336	976,336
At 31 December	976,336	976,336
Nominal value (in thousands of naira)	488,168	488,168
The premium on the issued ordinary shares is as follows:		
Share premium (in thousands of naira)	350,211	350,211

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

(b) Dividend Payable

Movement in dividend payable

In thousands of naira	2020	2019
At 1 January	12,070,421	11,185,905
Declared dividend	6,648,848	8,826,075
Payments	(18,221,269)	(7,941,559)
At 31 December	498,000	12,070,421

Note 23

Notes to the Financial Statements

For the year ended 31 December 2020

22 Employee Benefit Liabilities

In thousands of naira	2020	2019
Long service award benefits obligation	1,045,087	696,310
Other post employment benefits	322,740	186,339
	1,367,827	882,649

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

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

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

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

(a) Movement in Present Value of Long Service Award Benefits Obligation

In thousands of naira	2020	2019
At 1 January	696,310	477,010
Included in profit or loss		
Current service costs	82,461	57,666
Interest cost	93,664	73,251
Past service cost Amendment	-	14,752
Actuarial loss	232,527	114,498
	408,652	260,167
Other		
Benefit paid during the year	(59,875)	(40,867)
At 31 December	1,045,087	696,310

(b) Movement in other Post Employment Benefits

In thousands of naira	2020	2019
At 1 January	186,339	133,457
Included in profit or loss		
Past service cost (plan amendment)	-	(1,186)
Current service costs	21,847	16,039
Interest cost	25,731	21,016
Included in other comprehensive income		
Actuarial loss/(gain)	105,866	19,168
	153,444	55,037
Other		
Payments during the year	(17,043)	(2,155)
At 31 December	322,740	186,339

(c) Actuarial (Gains) and Losses Recognised in Other Comprehensive Income for Gratuity and Other Post Employment Benefit Obligations

In thousands of naira	2020	2019
Cumulative amount at 1 January	387,898	368,730
Loss/(gain) recognised during the year	105,866	19,168
Cumulative amount at 31 December	493,764	387,898

Notes to the Financial Statements

For the year ended 31 December 2020

(d) Actuarial Assumptions

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

Long service award: The weighted average liability duration for the Plan is 10.18 years (2019: 9.24 years).

Other post employment benefits: The weighted average liability duration for the Plan is 14.76 years (2019: 13.35 years).

In thousands of naira	2020	2019
Financial Assumptions		
Long-term Average Discount rate (p.a.)	8.5%	14%
Long-term Average Future Pay Increase (p.a.)	10%	14%
Long-term Average Future Rate of Inflation (p.a.)	12%	12%

Mortality in Service

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

Sample Age	2020	2019
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service

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

Age Band	Rate	
	2020	2019
Less than or equal to 30	4.0%	4.0%
31 - 39	3.0%	3.0%
40 - 44	2.0%	2.0%
45 - 50	2.0%	2.0%
51 - 55	5.0%	5.0%
56 - 59	5.0%	5.0%

(e) Sensitivity Analysis for Long Service Award Benefits Obligation

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

Rate		Other post employment benefits		Long service awards benefit	
		2020	2019	2020	2019
Discount rate	-1%	370,598	209,399	1,146,887	752,315
	1%	282,353	166,526	956,136	646,582
Salary increase rate	-1%			989,635	655,891
	1%			1,106,788	741,014
Inflation rate	-1%	281,923	165,287	1,008,239	683,535
	1%	370,172	210,553	1,087,109	710,651
Mortality	Age rated up by 1 year	322,221	186,420	1,039,945	693,450
	Age rated down by 1 year	323,205	186,264	1,049,727	698,887

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

(f) Risk Exposure

(a) Inflation risk

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

(b) Retirement age of employee

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

23 Trade and Other Payables

In thousands of naira	2020	2019
Trade payables	8,710,151	8,549,798
Other payables and accruals	6,319,666	8,017,472
Amount due to related parties*	Note 29 (c) 76,791,105	39,894,406
Dividend payable**	Note 21 498,000	12,070,421
	92,318,922	68,532,097

*The increase is due to illiquidity in the Nigerian FX market. The parent Company provided USD denominated loans to fund the Company's business operations.

**During the year, cash amounting to ₦45.22 million (2019: ₦102.43 million) was received from First Registrars & Investor Services Limited - the company's registrar - representing unclaimed dividends that have been in their custody for up to fifteen (15) months. This value is included in dividend payables shown in Note 21.

Notes to the Financial Statements

For the year ended 31 December 2020

24(a) Current Loans and Borrowings

In thousands of naira		2020	2019
Intercompany loan	Note 24 (i)	61,864,706	-
Short Term Finance	Note 24 (ii)	988,314	-
GMT Nigeria Limited	Note 24 (iii)	-	2,086,943
		62,853,020	2,086,943

(b) Non Current Loans and Borrowings

In thousands of naira		2020	2019
Intercompany loan	Note 24 (i)	7,422,395	-
CBN loan	Note 24 (iv)	2,300,000	-
		9,722,395	-

i) Intercompany loan: There was intercompany loan of USD 174 million at the end of the year (2019: Nil), received from FrieslandCampina B.V., Netherlands at interest rate of 4.5%.

ii) The short term finance relates to dollar overdraft on trade finance at the end of the year.

iii) There was no borrowings from GMT in 2020, (2019: ₦2.087 million) The borrowings in 2019 represents the invoice amount paid on behalf of the Company by GMT Nigeria Limited for the purchase of finished goods and raw materials. The Company engaged GMT, a logistics provider to assist with the importation and clearing of some raw materials and finished goods. The payment term is one hundred and eighty (180) days from the invoice date and Interest is charged at the rate of 14.0%.

iv) The company received a Term loan (CBN Differentiated Cash Reserve Requirement) of ₦2.3 billion from CBN, for FrieslandCampina WAMCO dairy development. The Company will recognise government grant of ₦725 million on the loan.

25 Lease Liabilities

In thousands of naira		Note	2020	2019
Current			100,000	-
Non current			791,455	-
			891,455	-

The Company entered into a lease agreement with the Niger State Government to develop local dairy production at the Bobi grazing reserve in the state. The Niger State Government agreed to lease up to 10,000 hectares of the reserve to the Company for 40 years. As a result of this, a lease liabilities and right of use asset of ₦891 million has been recognised in line with IFRS 16.

26 Financial Risk Management and Financial Instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk Management Framework

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

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

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

(a) Credit Risk

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

i. Exposure to credit risk

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

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

Financial assets at amortised cost

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

ii. Impairment losses

Credit risk extract for trade receivables

As at 31 December 2020

Age of trade receivables	Current ₦'000	0 – 7days ₦'000	8 – 15days ₦'000	16 – 30days ₦'000	31 – 90days ₦'000	Above 90 days ₦'000	Total ₦'000
Gross carrying amount	-	4,225,503	344,853	139,162	274,741	119,673	5,103,932
Unsecured receivables	-	2,825,204	186,098	127,780	200,983	93,856	3,433,921
Loss rates	0.00%	0.94%	2.06%	2.63%	8.39%	33.50%	-
Lifetime ECL	-	(26,634)	(3,826)	(3,364)	(16,855)	(31,443)	(82,122)
Net carrying amount	-	4,198,869	341,027	135,798	257,886	88,230	5,021,810

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

In thousands of naira	2020	2019
Balance at 1 January	128,856	130,449
Impact of initial application of IFRS 9	-	-
Impairment (writeback)/recognised	(46,734)	(1,593)
Balance at 31 December	82,122	128,856

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

	Trade receivables ₦'000
Gross carrying amount as at 1 January 2020	11,872,076
Receipts during the year	(206,296,050)
Additions during the year	199,527,906
Gross carrying amount as at 31 December 2020	5,103,932

Cash and cash equivalents

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

(b) Liquidity Risk

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

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

Liquidity analysis

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

31 December 2020	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	<2 years
In thousands of naira						
Non-derivative financial liabilities						
Trade and other payables	92,318,922	92,318,922	92,318,922	-	-	-
Loans and borrowings	72,575,415	72,575,415	62,853,020	-	7,422,395	2,300,000
	164,894,337	164,894,337	155,171,942	-	7,422,395	2,300,000

31 December 2019

Non-derivative financial liabilities						
Trade and other payables	68,532,097	68,532,097	68,532,097	-	-	-
Loans and borrowings	2,086,943	2,086,943	2,086,943	-	-	-
	70,619,040	70,619,040	70,619,040	-	-	-

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

(c) Market Risk

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

i. Currency risk

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

ii. Exposure to currency risk

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

Amounts in thousands	2020		2019	
	Euro	USD	Euro	USD
Cash and cash equivalents	176	128	14	108
Trade and other receivables	1,201	374	876	497
Trade and other payables	(43,169)	(87,217)	(29,707)	(121,201)
Loans and Borrowings	-	(174,284)	-	-
Net exposure	(41,792)	(260,999)	(28,817)	(120,596)

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
	2020	2019	2020	2019
Euro	435.56	403.29	485.95	408.86
United States Dollar (USD)	381.43	361.93	397.78	364.65

iii. Sensitivity analysis

A 10 percent (2019:10 percent) strengthening of the Naira, as indicated below, against the Euro and the USD would have affected the measurement of financial instruments denominated in foreign currency and increased / (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of Naira	2020 Profit or (loss)	2019 Profit or (loss)
Euro	2,030,900	1,178,234
USD	10,382,117	4,397,512

A 10 percent weakening of the Naira against the above currencies at the reporting date would have had the equal but opposite effect to the amounts shown above.

(d) Interest Rate Risk

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

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

Fixed rate instruments

The Company has no fixed rate instruments.

Variable rate instruments

In thousands of naira	2020	2019
Short- term deposits - financial assets	7,500,796	462,721

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The change would not affect equity.

	2020		2019 Profit or loss	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
Variable rate instruments	75,008	75,008	3,239	(3,239)
Cash flow sensitivity (net)	75,008	75,008	3,239	(3,239)

(e) Fair Values

Fair values versus carrying amount

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

In thousands of Naira	31 December 2020		31 December 2019	
	Carrying amount	Fair value value	Carrying amount	Fair value value
Assets carried at amortised cost				
Loans and receivables	17,986,655	17,986,655	14,797,025	14,797,025
Cash and cash equivalents	88,702,534	88,702,534	7,857,211	7,857,211
	106,689,189	106,689,189	22,654,236	22,654,236
Liabilities carried at amortised cost				
Trade and other payables	92,318,922	92,318,922	68,532,097	68,532,097
Loans and borrowings	72,575,415	72,575,415	2,086,943	2,086,943
	164,894,337	164,894,337	70,619,040	70,619,040

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

(f) Capital Management

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

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

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

In thousands of naira	2020	2019
Total liabilities	180,371,725	82,326,993
Cash and cash equivalents	(88,702,534)	(7,857,211)
Net debt	91,669,191	74,469,782
Total equity	26,290,913	24,234,981
Debt to capital ratio at December 31	3.49	3.07

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

27 Operating Leases

The Company has operating leases for business premises and accommodation for certain employees. The leases typically run for a period of one to two years. The full lease rental is paid in advance at the commencement of lease. Refer to note 7 for amounts expensed in respect of these leases and Note 16 for prepayments at year-end.

28 Contingencies

(a) Guarantees

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

In thousands of naira	2020	2019
Staff car loans	-	3,015
Staff housing loans	65,305	74,222

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

(b) Pending Litigations

There are fifteen lawsuits pending against the Company in courts of law and a claim against the Company which are being handled by external legal counsel. At year-end, the contingent liability in respect of these amounted to ₦1.32 billion (2019: ₦1.48 billion). In the opinion of the Directors and based on independent legal advice, no material losses are expected to arise from these claims. Hence, no provision has been made in these financial statements.

29 Related Parties

(a) Parent and Ultimate Controlling Party

The parent and ultimate controlling party of the Company is Friesland International Beheer B.V., incorporated in The Netherlands, with a 67.81% (2019: 67.81%) shareholding.

(b) Key Management Personnel Compensation

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

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

Key management personnel compensation comprised:

In thousands of naira	2020	2019
Short-term employee benefits	424,507	396,351
Contribution to compulsory pension fund scheme	20,776	17,440
Long-term employee benefits	10,388	8,720
	455,671	422,511

The directors of the Company have also been identified as related parties and their remuneration has been disclosed in note 9 (c). At year-end, the directors held 0.41 percent (2019: 0.41 percent of the company's issued share capital).

(c) Other Related Party Transactions

(i) Payables, purchases and royalty expense	Nature of transaction	Transaction value for the year		Balance outstanding at year-end (Note 23)	
In thousands of naira					
Related Party		2020	2019	2020	2019
Friesland Brands B.V., Netherlands	Royalty expense (Note (e)(i))	4,559,415	4,423,295	4,580,723	3,513,054
FrieslandCampina B.V., Netherlands	Purchases (Note (e)(ii))	112,053,935	82,338,172	72,210,382	36,381,352
Koninklijke FrieslandCampina N.V., Netherlands	Loans	101,061,713	-	69,287,101	-
		217,675,063	86,761,467	146,078,206	39,894,406

(ii) Receivables and sales	Nature of transaction	Transaction value for the year		Balance outstanding as at year-end (Note 17)	
In thousands of naira					
Related Party		2020	2019	2020	2019
Friesland Export West Africa, Netherlands	Sales (Note (e) (iii))	360,903	290,667	732,584	287,076
		360,903	290,667	732,584	287,076

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

Notes to the Financial Statements

For the year ended 31 December 2020

(d) Transactions with Related Parties

(i) The Company has a Know-How and Trade mark agreement; and Research and Development Technical Know-How agreement with FrieslandCampina Nederland B.V., for which it pays royalties. Technical Know-How agreement royalty fees are computed as a percentage of profit before tax while royalty fees on trade mark and research and development agreement are computed as a percentage of net sales of the related products. An amount of N4.56 billion (2019: ₦4.42 billion) has been charged to the profit or loss account in respect of these fees (Note 8).

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

Details of the NOTAP certificates are listed below:

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

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

File number NOTAP/AG/MN/126/20/432 with a limit not exceeding ₦2.05 billion (Extension)*

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

*The expired NOTAP agreement relates to Know-How and Trade Mark agreement which expired in December 2020 and was extended till June 2021, to allow time to address FX illiquidity issue and remit the balance accordingly.

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

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

30 Subsequent Events

Subsequent to the reporting date, the Board of Directors recommended a dividend of ₦6.74 per share subject to the deduction of appropriate withholding tax at the time of payment. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. There are no other significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31 December 2020 that have not adequately been provided for or disclosed in the financial statements.

In the first quarter of 2020, there was a COVID-19 outbreak which has spread globally. The outbreak has been declared a public Health Emergency of International concern by the World Health Organization (WHO) in March 2020. During the year, thousands of cases have been confirmed in Nigeria by the Nigerian Center for Disease Control.

The disease has caused a significant reduction in social interaction, with a shutdown of public facilities and physical interaction. Measures taken to contain the virus affected economic activities during the year.

In light of these recent developments and its underlying impact on Nigeria, the company was operational all through this period and has it as top priority to fulfil its promise to provide affordable dairy nutrition to all Nigerians.

Also subsequent to year end, a judgement was received in favour of FrieslandCampina WAMCO Nigeria (FCW). The suit was filed against FCW by an erstwhile employee, claiming among other things that he had been unfairly dismissed in 2012. His claim in damages before the court was an approximate cumulative amount of ₦250,000,000 (Two Hundred and Fifty Million Naira only).

On Wednesday, 24 March 2021, judgement was given in favor of the Company.

With the judgement of the Court being delivered and the case dismissed without awarding costs to the Company, this brings an end to the case except the Claimant chooses to appeal against the judgment.

Other National Disclosures

Value Added Statement

For the year ended 31 December 2020

In thousands of naira	2020 ₦'000	%	2019 ₦'000	%
Revenue	199,527,906		161,831,064	
Brought in materials and services				
- Local	(54,148,001)		(47,266,759)	
- Imported	(112,053,935)		(82,338,172)	
	33,325,970		32,226,133	
Finance Income	1,464,539		176,389	
Value Added	34,790,509	100	32,402,522	100
Distribution of Value Added:				
To Government as:				
- Government as taxes	6,160,363	18	6,388,708	20
To Employees:				
- Employees as wages and salaries and end of service benefits	10,722,142	31	8,802,989	27
To Providers of Finance:				
- Finance costs	5,946,784	17	2,210,877	7
- Interim dividends	-	-	2,616,580	8
Retained in the business:				
- Depreciation of tangible assets	3,115,430	9	2,567,928	8
- Depreciation of right of use asset	17,827	-	-	-
- Amortisation of intangible assets	123,183	-	81,427	-
- Proposed dividends	6,584,165	19	6,650,695	20
- To augment reserves	2,120,615	6	3,083,318	10
	34,790,509	100	32,402,522	100

Five-Year Financial Summary

For the year ended 31 December 2020

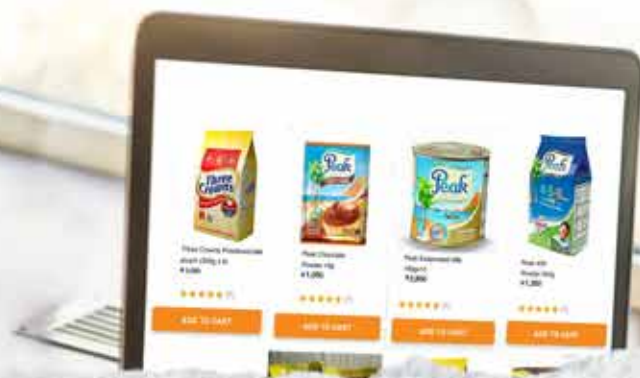
In thousands of naira	2020	2019	2018	2017	2016
Funds Employed					
Share Capital	488,168	488,168	488,168	488,168	488,168
Share Premium	350,211	350,211	350,211	350,211	350,211
Retained Earnings	25,452,534	23,396,602	19,872,085	17,780,145	15,449,491
Shareholder's Fund	26,290,913	24,234,981	20,710,464	18,618,524	16,287,870
Current Liabilities	161,477,131	75,475,390	65,991,736	71,755,943	54,731,207
Non-current Liabilities	18,894,594	6,851,603	4,768,611	3,329,352	1,838,192
	206,662,638	106,561,974	91,470,811	93,703,819	72,857,269
Asset Employed					
Non Current assets	48,115,848	35,233,877	27,539,587	23,440,797	17,948,410
Current assets	158,546,790	71,328,097	63,931,224	70,263,022	54,908,859
	206,662,638	106,561,974	91,470,811	93,703,819	72,857,269
Revenue	199,527,906	161,831,064	149,158,788	140,076,525	123,749,286
Profit before income tax	14,939,249	18,752,718	16,312,453	15,885,363	19,963,190
Profit for the year	8,778,886	12,364,010	11,753,002	12,015,933	13,862,217
Other comprehensive income, net of tax	(74,106)	(13,418)	33,955	(19,553)	-
Per ₦0.50 Share Data:					
Basic earnings per share	8.99	12.66	12.04	12.31	14.20

Connecting with Consumers Across Touch Points

We connect with consumers and customers in their everyday lives both offline and online with the aim of influencing consideration at every touch point.



YEAR 2020 IN REVIEW



FrieslandCampina WAMCO Unveils Nigeria's First Expertise Center on Dairy



"The CNDDD is committed to unlocking and developing dairy expertise for all stakeholders in the Nigerian dairy value chain."

FrieslandCampina WAMCO envisages that as the country's population continues to grow, the establishment of a strong agricultural sector is one of the pillars that will bring economic and social stability in Nigeria.

Improving dairy productivity and sustainability throughout the entire value chain is the focus of the Center for Nigerian Dutch Dairy Development (CNDDD).

Officially unveiled on October 15, 2020, during a virtual webinar, the CNDDD has since commenced activities to develop the local dairy value chain; especially with the support of its core partner - University of Abuja.

The CNDDD fosters cooperation among relevant stakeholders including the Government, Private sector, Academics, students, farmers and undertakes activities that contributes to improving the dairy chain in Nigeria focusing on both the upstream and downstream side of the dairy chain.

The CNDDD is an expert research and training institute in the field of dairy development in Nigeria focusing on: Breeding, Farm Management, Quality, Productivity (yield per cow) and Feed Management.

Stakeholders at the virtual unveil include: The Vice President of Nigeria, represented by the Honourable Minister of Industry, Trade and Investment; Minister



for Agriculture & Rural Development; State Governors of Oyo, Niger, Kwara, Ogun & Kebbi; Ambassador of the Netherlands to Nigeria; Governor of the Central Bank of Nigeria; Vice Chancellors of the University of Abuja and Federal University of Technology Minna; members of the press; members of the academic world; dairy practitioners; etc.

Sustainability at FrieslandCampina WAMCO

In December 2020, FrieslandCampina launched its sustainability programme 'Nourishing a better planet'.

"It's a programme focusing on a positive impact on farmers, society and planet. Our role as FrieslandCampina is to nourish a growing world population with good, safe and affordable nutrition, whilst taking our responsibility leaving a sustainable impact across our whole value chain – from grass to glass. Building on a strong foundation of continuous sustainability improvements over the years we will focus on six priorities and accelerate to nourish a better planet", Hein Schumacher, CEO Royal FrieslandCampina N.V., says.

Nourishing a better planet is about the following 6 priorities:



"Together with our stakeholders we believe we can accelerate our overall progress in these key areas."

Key highlights of our 2020 sustainability performance

We tracked our 2020 sustainability performance across all pillars of our purpose, Nourishing by Nature, our performance is highlighted below:

	Approximately, 10,000 famers have been upskilled through our Dairy Development Programme
	11.7million consumers reached digitally through the Peak 456 specialized nutrition education activities
	We worked 2,922 days without recording any Loss Time Accident (LTA) as at 31st December
	Through the Three Crowns Fitness Challenge, the brand reached 1,300 consumers (direct activation) and a digital reach of 3.9million consumers (note that the lower direct reach for 2020 compared to 2019 report was due to the COVID-19 ban on large gatherings)
	9,900 training hours conducted and a total of 825 employees trained on technical and non-technical subjects
	We had Zero (0) regulatory sanctions or fines

Our Approach to Circular Economy within our Value Chain is illustrated below:

1.Raw Material:

Sales of waste powder for animal feed. We sold 230,000kg of waste milk powder to farmers for use as animal meal supplement.

2.Wastewater Treatment:

Our wastewater pond currently houses about 200 fish; this reiterates the quality of the water for biological life.

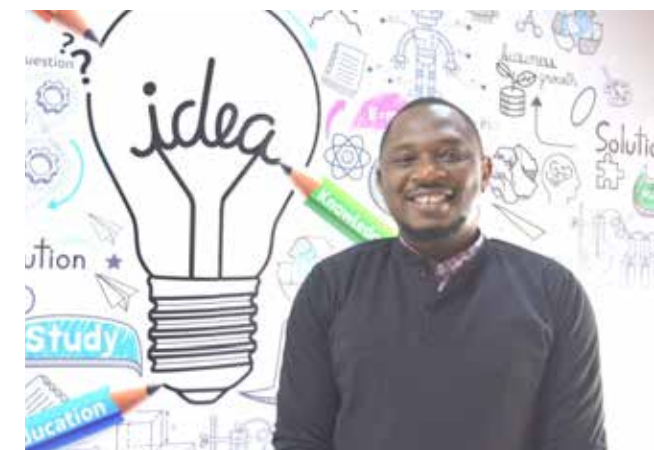
3.Recycling:

Waste from the newly built yoghurt plant was added/integrated to the total waste stream seamlessly and without any environmental incident. 85% of the total waste streams was made available to third party recyclers.

4.Reduce:

Wastage resulting from product damage by forklift reduced to almost zero through consistent training of operatives on forklift operation safety.

Future of Collaboration



In 2019, FrieslandCampina gave a more strategic focus to the use of technology and this birthed the Future of Collaboration-[FOC] concept driving the business today.

Much more than desired, the goal of Future of Collaboration is to help our employees to successfully reach their business goals, by enabling them to work together smartly and effectively, leveraging modern collaboration technology.

FOC changed our business landscape towards digital as it was quite clear to us that a crucial component and a key goal for company-wide success is frictionless internal and external collaboration. Very distinctively, the benefits to us as a Company since the journey began cannot be over-emphasized, some of which are: improved collaboration and engagement, improved user satisfaction, IT Service improvements, reduced travels, induced work behaviors that help the business WIN in the market.

Recent developments around Covid-19 has transformed business landscape. However, for us, we have continued to make digital literacy a core IT/HR theme under Future Way of Working, increasing the adoption of "Working out Loud", driving connected leadership and organization via other approved associated collaboration systems and giving back focus time to employees through a better meeting culture.

As a digitally focused Company, FOC impacts our work behaviors with employees working remotely and in some cases physically in the office. Our dream IT is to foster a Digital Workplace [DWP] environment where collaboration and teamwork is facilitated through technology rather than by physical location.

FUTURE OF COLLABORATION

"FOC helps our employees to successfully reach their business goals by enabling them to work together smartly and effectively, leveraging modern collaboration technology."

A key concept of FOC, the introduction of Digital Workplace, saw employees work collaboratively across teams to support key organizational priorities. It streamlined administrative tasks, removed barriers to accessing data and resources, and increased the flow of critical information across the business. These benefits enabled employees to make data-driven decisions more swiftly and effectively than ever before.

FrieslandCampina WAMCO is proud of its digital road map and how it has impacted the business positively and helped it thrive even in these challenging time. The future indeed is Digital which has started for us.



Standing with Nigeria – FrieslandCampina WAMCO lends a hand in the fight against COVID-19



In 2020, Nigeria's social institution was tested on a couple of fronts, with access to nutrition significantly reduced for her vulnerable groups. Topmost of these headwinds were the adverse impacts of the COVID-19 pandemic which necessitated a lockdown.

Strengthening the country's resilience was the driving force behind FrieslandCampina WAMCO's initiatives at complementing Government's efforts to curb the spread of COVID-19. This is in line with the Company's mission of nourishing Nigerians with quality dairy nutrition; which incorporates adequate nutrition support to vulnerable groups, mainly women and children.

As a member of the Nigerian community, FrieslandCampina WAMCO took proactive steps, a three-pronged approach, to provide support in a challenging time:

1) Bridging nutritional gaps:

Giving out milk products (worth over a ₦100 Million) to support >127,000 vulnerable families, low income communities across the country. This was achieved in partnership with the Lagos State Government; Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development; and other key Non-Governmental Organizations including Lagos Food Bank Initiative and so on.

2) Protecting frontline workers:

Provision of hygiene items to over 1800 Health Care Professionals who were at the forefront of fighting the spread of the deadly virus.

3) Broader range intervention:

A bulk cash donation of ₦500 Million to the Coalition Against COVID-19 fund; a private sector led initiative in partnership with the Federal Government, the Nigeria Centre for Disease Control (NCDC) and the World Health Organisation (WHO), with the sole aim of combating Coronavirus (COVID-19) in Nigeria by providing medical facilities across Nigeria's 6 geo-political zones.



"Nourishing Nigeria with quality dairy nutrition includes providing adequate nutrition support to vulnerable groups; especially women and children."



Employees share knowledge with entrepreneurs at Orange Corners Nigeria

Orange Corners Nigeria, an initiative of the Kingdom of the Netherlands takes under its wing for a period of 6 months, a set of 20 entrepreneurs who seek to scale and grow the impact of their business ideas.

In 2020, employees of FrieslandCampina WAMCO volunteered their time, by giving out masterclasses and mentoring these young budding entrepreneurs on business best practices.

30 Charitable organizations receive nutrition support

Charity is at the core of the 30 organisations FrieslandCampina WAMCO has supported over the years. Despite the uncertainties caused by the COVID-19 pandemic, the Company ensured a regular supply of milk products to support the health and general wellbeing of inmates spread across the country.

Donations issued out in quarterly instalments helped these charitable organisations through an eventful year.



Accelerating Dairy Development for Sustainable Dairy Growth

In 2020, FrieslandCampina Dairy Development Programme (DDP) engaged in massive mobilization and sensitization of over 1000 farmers on Good dairy farming practises therefore proficiently intergrating them into FrieslandCampina dairy development supply chain. As safety is top priority, Covid-19 trainings were conscientiously carried out in all milk collection centers (MCC) and other DDP locations. Farmers were continuously trained to strengthen their capacity in every aspect of good dairy farming to improve productivity and milk quality.

These stringent trainings translated to the DDP recording the highest daily volume ever collected (40000L) and a significant improvement in productivity.

Pasture Cultivation, Preservation and other infrastructure in Bobi

As a result of the Company's DDP expansion to the North, the business continued to invest in pasture management and conservation as well as the procurement of required equipment and facilities for the harvesting, processing and preservation of pasture. Provision of more solar powered boreholes was delivered in over 20 communities for household usage. Capacity development is ongoing on every aspect of pasture development as well as construction of suitable hay barn, cow shed, earth dam and training hall.

"In 2020, the Dairy Development Programme recorded the highest daily volume ever collected."



MCC Operator fully kitted for daily milk collection



Farmer's training



Farmer's training hall



Hay production with hay baler at Bobi, Niger State

Youths and Women Development

Household empowerment most especially, youths and women, was one of the prioritised programmes implemented in the year under review. The empowerment focused on the women by supporting them through the sales of the Company's products.



Women Empowerment training

Genetic Upgrade

Breed improvement is critical to the development of local milk sourcing in Nigeria. Therefore, the DDP intensified engagement on breeding with dairy farmers to improve animal productivity and adaptability.



F1 crossbred calf

Construction of Milk Collection Centers

A total of 20 milk collection centers were constructed to expand milk collection activities in: Oyo, Ogun, Osun and Niger States. While a new milk collection centre is being constructed in Ilorin, Kwara State to further boost milk collection in the state.



Newly constructed MCC at Bobi, Niger State

Support to Smallholder Dairy Farmers

20 small holder dairy farmers were adequately supported with farm inputs like seeds, fertilizers, cow barn, boreholes and farm implements like: tractors, harrows, levelers, boom sprayers, hale baler, silage shoppers, etc. They were also supplied with crossbreds as well as specialist capacity development to enable them carry out efficient and sustainable dairy farming system in all aspects.



Genius farm, Iseyin

Stakeholders Engagement

DDP partners from government including Niger State Governor, officials of Central Bank of Nigeria and Federal Ministry of Agriculture and Rural Development visited various DDP sites to inspect progress.



DDP GM Meeting with Kwara State Officials

SHE Management in a year of 'business as unusual'



The immediate past year was undoubtedly an unusual year across the globe. A year characterized by a ravaging pandemic, COVID-19, which spread fast across the globe within few months. The effect of this pandemic has been massive resulting in the need for a more proactive management of safety, health and environment of the workforce.

In FrieslandCampina WAMCO, the SHE team has been at the forefront of managing the risk of this pandemic on employees by ensuring strict adherence to government and corporate guidelines for the control of COVID-19. The support of the Management in risk control of this pandemic has been encouraging. Amongst other measures that were put in place are: the use of infrared thermometer at the points of entry, re-arrangement of the seats in the offices and canteen to ensure adherence with the principle of social distancing, redefining the walkway to ensure that movement to and fro within the premises is distinctively separated, deploying

work from home by office personnel to reduce the number of staff on Plant and enforcement of virtual meetings to discourage gatherings, differentiation of entry and exit routes to offices, installation of sanitizer dispenser at strategic locations, daily communication on COVID-19 awareness and regular fumigation and disinfection. The effectiveness of these control measures are regularly reviewed by the crises management team comprising members of the top management. With the support and effort of all employees, the battle against this pandemic has been positive from the first confirmed case in Nigeria till date.

With the second wave of COVID-19 unleashing its terror, effort has been intensified to ensure that everyone continues to adhere to all the guidelines regarding the control of infection spread. We will continue to assess all forms of risks that the management of this scourge can portend to employee well-being and business operations and have the risks mitigated as low as reasonably possible.

8 years of work without Lost Time Accident (LTA)

Also noteworthy is the fact that FrieslandCampina WAMCO as an organization celebrated 8 years of work without lost time accident (LTA) on December 12, 2020. The event recognized persons and units that have shown worthy qualities as safety ambassadors in the organization. The Company also launched a fire van to improve its emergency preparedness and response at its Ikeja Plant. Officers from Federal Fire Service joined this occasion to further provide training on fire management.



IMS ISO Certification Audit

In a bid to migrate from OHSAS 18001 to the newest and most recent standard in occupational health and safety management system (ISO 45001:2018), FrieslandCampina WAMCO applied for IMS ISO CERTIFICATION. To this end, stages 1 and 2 were successfully completed with a very few non-conformities raised. Its process was successful with the support of top management and all employees. According to the Lead Auditor, "there has been a significant improvement in SHE management system of FrieslandCampina WAMCO." Once obtained, the new certification (an integration of occupational health and safety management system and environmental management system) will amongst other things strengthen compliance, create a safe working environment for employees and reinforce the Company's objectives.

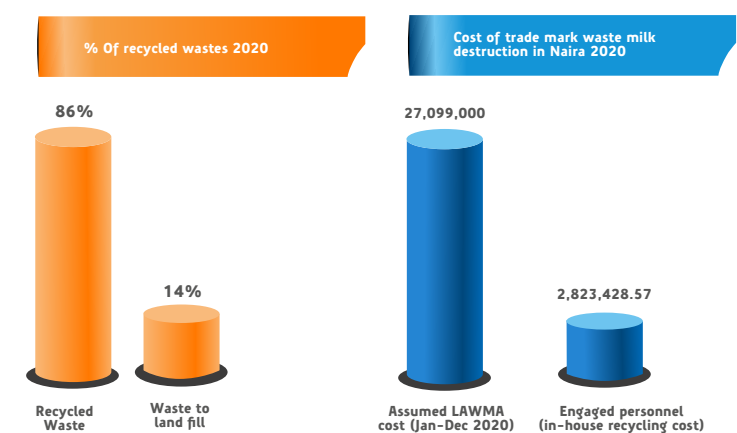
"The new certification will amongst other things strengthen compliance, create a safe working environment for employees and reinforce our SHE ambitions."

Zero Audit of Ikorodu Plant

At the completion of Nutricima dairy acquisition, zero audit was conducted at the Plant and all the identified deviations from this audit are being followed up to ensure timely closure of actions. The plan to integrate the Ikorodu Plant to the SHE portal is in progress to ensure all hazards, near misses and accidents are recorded for investigation with a view to conducting root cause analysis and corrective actions.

Waste Management System

As a responsible corporate organization, we are continually improving the waste management system in place in a cost effective manner. While the business ensures that it monitors gaseous and effluent discharge, deliberate effort has been put in place to ensure volume of solid wastes being cycled increases while deposit to landfill is reduced as low as possible. The percentage of recycled waste increased in the year under review vs prior year.



Keeping Fit with Three Crowns

For more than 30 years, Three Crowns Milk has served Nigerian mums with low cholesterol heart-friendly milk so she can take good care of her family. Every year, Three Crowns holds a list of heart-friendly activities that keeps the rhythm of mum's heart going, starting with the 30-day Fitness Challenge.

The #TC30DaysFitnessChallenge campaign was conceived in 2016 to encourage Nigerian consumers, especially mums to create fun ways to live a healthy lifestyle by cultivating healthy habits via exercise and diet into every moment irrespective of what they do and what they take. It is a digital led campaign supported on radio and WhatsApp.

Consumers are encouraged to workout with whatever materials they have like dispenser bottle, rolling pin or do simple routines that do not require expert supervision to accomplish. The activity featured a call to participate, daily workout routine video for consumers to recreate, milk-based meal plan shared with participants to help plan their diet, One-on-One Fitness coaching on WhatsApp group for different stages/levels. Physical cardio-dance sessions were held in established fitness hubs on Saturdays to bring the campaign to life.

In 2020, over 7,500 consumers (+63% above last year) signed up for the challenge and 72% were first time participants. At the end of the campaign, 3.9million



consumers were reached (+114 %vs plan) and the campaign delivered 12million impressions (+9% vs plan) online.

With the advent of Covid-19 gathering restriction, Three Crowns Fitness Challenge engagement morphed into digital weekend cardio dance session which held on

"Three Crowns encourages consumers, especially mums, to create fun ways to live a healthy lifestyle by cultivating healthy habits via exercise and diet."



Instagram every week for 8 weeks and subsequently, bi-weekly for 8 weeks. The engagement was a 45minute livestreamed workout session hosted by a renowned fitness coach, Shedams at 9am on the brand's Instagram page <https://www.instagram.com/3crownsilk/>

In addition to helping consumers #StayHealthy while at home, we offered a wealth of added-value such as financial tips, motivational talks, chats on nutrition, mental health and Covid safety.

This success resulted to a fanbase growth of 112% during the conversation period, live audience participation growth of 347%, online purchase during the campaign grossing ₦3.2mio, growth of online orders by 214% per week and zero negative consumer sentiments for the 6 months period.



"Give Your Heart Out" Campaign

Three Crowns celebrated Christmas in a unique way with "Give Your Heart Out" campaign which aimed at driving an emotional appeal to Mums to give out nice words or gifts from their hearts to other mums to show appreciation and recognition of their efforts being the Heart of the Home all through the year. Mums were encouraged to nominate other mothers or mother figures via the brand's website, WhatsApp or DM, clearly stating why she deserves the gift and leaving her a heartfelt note.

A 360° Integrated approach was adopted across radio, OOH, digital, TV and consumer engagement in



modern trade across selected cities. Unusual emotional stories from thousands of entries received were selected and rewarded with a Christmas gifts. This included personalized messages from their nominators appreciating them for their efforts through the year. Past Mum of the year top finalists, winners (shoppers) in Modern trade were not left out.

In addition, we celebrated the festive season by rewarding shoppers who purchased any Three Crowns product worth ₦4,000 with a Christmas gift (Combo pack) across selected stores. A total of 126% sales were achieved and the campaign successfully reached 6.3mio consumers (+139% vs plan) on all digital platforms.

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

Super Jara for Super Mums

Three Crowns Jara was executed to offer more value to consumers, Mums especially, for holding forth the home during the global pandemic and turbulent times. This campaign was executed in select cities in the open market, proximity and modern trade stores to increase the average weight of purchase, grow sell out and increase penetration into more households.

It was executed via a 360° approach on radio, OOH, digital, TV and consumer engagement with the trade in selected cities Pan-Nigeria. At the end of the offer in trade, 286% sales were achieved vs plan in open market, proximity stores and modern trade stores. On digital, the campaign reached 4.9mio consumers (+120% vs plan).

Delivering a Nutrition focused Food Service Business



To further accelerate our strategy, 'Our Purpose, Our Plan' FrieslandCampina WAMCO identified a need to give consideration to channels that serve the 24-7 consumer and customer.

One of these channels is the Bakery and Confectionary Industries. Therefore, at a gathering of Bakers and Baking enthusiasts under the International Cake Exploration Societie, Nigeria- ICES, FrieslandCampina WAMCO Food Service Business channel partnered the association with over 1,000 members pan Nigeria and 15,000 followers on social media, to deliver a nutrition focused virtual event under the theme - **'Beyond Sugar-Craft'**.

"The inclusion of dairy in cakes and confectioneries in general, makes them more nutritious for consumers."

Being the annual national convention of the Association, it is usually an avenue for Bakers to network, share and learn from one another on the latest trends in the industry. This time, participants were also enlightened on the importance of dairy products in cakes, drinks and confectioneries. At the event, FrieslandCampina WAMCO's nutrition expert explained dairy as a particularly good source of protein, calcium, phosphorus and magnesium, while highlighting that FrieslandCampina WAMCO products are fortified with extra nutrients such as Iodine, Folic Acid and other vitamins and minerals which supports physical growth, immunity and maintenance of tissues in the body. Hence the inclusion of dairy in cakes and confectioneries in general, makes them more nutritious for consumers.

Facilitating Bakers illustrated the use of Peak brand assortment (including Peak UHT Full Cream, Peak Powder and Peak Yoghurt Drink) in the preparation of a number of recipes like: Hot Milk Cake, Buttermilk Pancake, Ice Cream Cornet, Creamy Yoghurt and Milk Coco Drizzle amongst others, consequently increasing awareness and promoting usage of our products.

Dairy is no doubt an indispensable ingredient in baking, given the moisture, flavor, structure and color it provides in baked goods.



Customer Development, Shopper Marketing in a Pandemic



The year 2020 was characterized by the emergence of the COVID-19 pandemic globally. This resulted in major disruptions in the normal way of life across the world with many months of lockdown of businesses, schools, governments and other institutions. Fallouts of the pandemic include restrictions on distribution of goods and services, increased costs of doing business and erosion of margins. To mitigate these effects, our distribution strategy focused on ensuring physical availability at every possible point of purchase.

In Nigeria, there were movement restrictions and closure of markets with significant effects on our Route To Market as the open market contributes circa 50% of our sales. This situation required us to do things differently in order to keep winning in the market, thus we re-invented our Route To Market to manage the realities and ensured our products remained available to shoppers at all available points of purchase across channels.

"We re-invented our route-to-market to manage current realities and ensure our products are available to shoppers at all available points of purchase across channels."

We accelerated digital distribution through various initiatives, namely, E-Posters using various electronic channels, Wholesale and Retail Self Ordering and Distributor On-Line to link trade partners, E-merchant with customers on all E-commerce platforms ensuring effective distribution of our products in the face of physical restrictions. These initiatives increased contribution to sales through digital channels from 21% to 30%.

Physical distribution was adapted to manage the restrictions with more focus on proximity channels through neighborhood stores and gated estates as people were restricted to their homes which increased in-home consumption for the months of the lockdown. We also took advantage of various market operations directives from various state governments, in their bid to manage the pandemic situation and curtail its spread.

During the past year, we executed a profitable mix management through focus on hero SKU as part of our Revenue Growth Management initiatives to mitigate the impact of rising input costs. These initiatives contributed incremental ₦14bio to sales in the year.

Overall, we were able to grow sales value by 23% and increased the number of outlets where our products are actively being made available to shoppers from 21k to 27k in the year under review.



Breakfast Moments with Peak

For over 60 years, Peak milk has consistently stayed committed to its purpose of delivering quality dairy nutrition to all Nigerians to enable them reach their Peak.

2020 saw us stay true to this purpose as we focused on our goal to “Own Breakfast” with the continuation of the #PeakBreakfast campaign. The combined efforts of all campaign executions across touch points resulted in increased Top Of Mind Awareness (TOMA) by +4%.



Everyone has a Peak

The 2020 journey kicked off with the launch of the “Everyone Has A Peak (EHAP)” campaign that created awareness, educated our consumers and highlighted the different variants of Peak milk. The campaign creatively educated consumers on the role of each Peak milk variant using the unique benefits of each variant as the point of differentiation; thus informing consumers that whatever their milk preference at breakfast, there’s a Peak milk available to suit their needs. This campaign has not only informed consumers that “there is a Peak for everyone” but has also driven clarity that Peak Filled milk is an addition to the Peak milk portfolio.

Our single minded focus to “Own Breakfast” with the “#PeakBreakfast campaign was sustained with the EHAP campaign by informing consumers about the choices they can get for breakfast from Peak with various extensions such as, PeakBreakfast Talk - dialing up online engagement on digital during the lockdown; PeakBreakfast Radio Show with popular OAPs - to drive reach and emphasis on the campaign message; Breakfast Moments with Peak Digital Series - snackable web series of 1-3mins that showcased various relatable breakfast moments about friendship, aspirations and general banter whilst showcasing Nigeria’s rich culture and diversity.

All these contributed to the growth of brand awareness and positive consideration.

“Everyone Has A Peak (EHAP)” campaign created awareness, educated our consumers and highlighted the different variants of Peak milk”.



Sahur to Iftar

Ramadan is a very important period for the brand Peak. The aim of our campaign was to motivate our Muslim consumers to start their day with Peak milk by showing them how Peak milk plays a major role in giving nourishment from Sahur to Iftar. Ramadan took a different dimension in 2020 due to the COVID-19 pandemic. The brand leveraged heavily on digital to drive both awareness and convenient distribution with the E-Commerce channel and doorstep delivery. The introduction of seasonal promo boxes enabled consumers save more, show love and generosity to friends and family.



National Breakfast week

For the 2nd year, we celebrated National Breakfast week (May 26th - June 1st), a week devoted to celebrating the benefits and importance of breakfast consumption. Digital led campaign activities were deployed to highlight the most important meal of the day and the role of the brand.

2020 marked the 20th anniversary of the globally recognized World Milk Day celebrated on June 1st. The theme, RAISE A GLASS OF HOPE was a message that helped inspire positivity as we celebrated essential workers, frontline workers and every Nigerian for fighting the pandemic together even as we stayed apart. We also served Peak Breakfast to essential and frontline workers on World Milk Day 2020 to show our support for their selfless service.



Awoof at its Peak

As a culture to reward loyal customers and to encourage continuous patronage, a Shopper Promo titled “Awoof at its Peak”, was executed. This promo rewarded customers with extra packs of Peak products, thus enabling families to enjoy more Peak Breakfasts for less. The campaign was further used to reinforce the importance of Peak Breakfast in supporting families with nourishments. The campaign was communicated through radio, flyers, banners and various BTL materials.



Peakmas Campaign

Considering the erratic year 2020 was, the Peakmas campaign was all about bringing hope and optimism to Nigerians. In line with our tradition of adding flavour to the Christmas season and nourishing families, we rolled out the Peakmas campaign with the theme “Share Love, Share Nourishment” to end a challenging year on a high note. This message amplified and reinforced the spirit of sharing, even in a time of an unprecedented global pandemic.

A series of activities were executed to bring Christmas cheer to Nigerians. “Peakmas Heros” celebrated unsung heroes in different homes and communities who were nominated and rewarded for their selfless doings. The “Peakmas Jingle Challenge” was another avenue for Peak milk to engage young, talented Nigerians by giving them an opportunity to recreate the Peakmas jingle, and also created a platform for these budding talents to showcase their musical flair and win amazing prizes.

“Peakmas Breakfast On The Go” was a brilliant way for us to reinforce the importance of starting your day with a Peak breakfast. With this idea, we made on-the-go breakfast accessible to the people at every major bus stop in different cities. Finally, the “Peakmas Shopper Surprise” was our way of tapping into the surprise trend by surprising loyal customers and rewarding them with gifts whenever they buy Peak products at selected stores and markets.

In conclusion, 2020 was both an eventful and a fulfilling year that brought out the best in us. As we step into a more promising 2021, Peak as a brand looks forward to greater milestones as we continue to nourish families all across Nigeria.



Strengthening family bond in a pandemic while breaking 6-year volume record



Peak Chocolate set out in 2020 with a daring growth ambition. The brand hit the ground running by redefining its proposition from kids-only to family-oriented, and in line with its product benefit of a nutritious (nourishing) form of indulgence: Nourishment Everyone Can Enjoy. The proposition was also amplified with the revised packaging design which showcases the appetizing, rich,

and nourishing visual of the product on-pack. We also hosted an employee engagement event for the internal launch of the new 400g refill pack which was introduced towards the end of 2019.

The climax was the launch of the thematic, brand campaign which showcases how Peak Chocolate can be enjoyed either cold or hot by everyone. The advert was adjudged as compelling, well-branded, relatable and of entertainment value. It was rolled out Pan-Nigeria and integrated across TV, radio, billboards, lamp posts, press, digital and trade channels/market.

Towards the end of the first quarter of 2020, many lives took a turn due to the pandemic. Our nation Nigeria ordered a lockdown and many families were confined to their homes with little to do but connect and bond. We saw this as an opportunity to infuse the Peak Chocolate brand amid the conversation as the right and nourishing family drink.

In line with our commitment to provide nourishment for families and foster unity through healthy and safe forms of indulgence, we launched an activity tagged "Peak Chocolate Family Moment." It stirred up conversations

on social media with our consumers expressing how they best enjoy their Peak chocolate drink while bonding with family. Social media went agog with the campaign as we received many entries which sparked an interest in the brand, its nutritional benefits, and its domestic usefulness. The activity added to the brand's share of voice on social media and provided insights into the creative ways our consumers enjoy Peak Chocolate. It also allowed us to share new recipes with our consumers which drove product experimentation as we witnessed different entries from consumers recreating our recipes.

Following the success of that activity and eased lockdown directives, we observed that our consumers were yearning for excitement, and we answered that call by introducing the first-ever virtual, family game show for the brand tagged "Peak Chocolate Family Contest." The main objective of the activity was to

inspire the next generation, help Nigerians recognize that family is our greatest gift and support.

To connect with our consumers, we recruited Anita Asuoha popularly known as Real Warri Pikin and renowned for her trademark "Warri" vernacular as the host of the contest. During the campaign period, the brand's social media followers and engagement increased and we leveraged the opportunity to educate consumers on the product benefits, ways it is best enjoyed while reiterating Peak Chocolate as brand of choice among the target audience - Families.

Other online campaign activities include #PeakChocolateEmojiChallenge, #DressAlikeChallenge, #PeakChocolateArtChallenge and #PeakChocolateAdChallenge.

The excellent execution of the integrated activities by the multifunctional team saw Peak Chocolate deliver record achievements: On digital (especially, social media) we reached a milestone organic growth in number of followers from 576 to 11,000+ on Instagram between January and December 2020.

Peak Chocolate recorded volume growth index 177% vs. 2019; breaking a record brand performance.

The team is poised to sustain the stellar performance of the brand in subsequent fiscal years.

"Peak Chocolate can be enjoyed either cold or hot by everyone."



Peak 456: Committed to Specialised Nutrition Education

The COVID-19 pandemic disrupted the lives of our consumers, stakeholders and partners, limiting opportunities to drive awareness, education and engagement. Committed to our purpose and plan to provide quality dairy nutrition to Nigerian children between the ages of 4-6 years, FrieslandCampina WAMCO Specialised Nutrition business implemented unconventional approaches to win in the "New Normal." We executed two key strategic initiatives, leveraging the increasing importance of the pharmacy channel and mobile/digital to bring our brands and services closer to the consumer and customer.



"Digital was productively deployed in engaging with relevant stakeholders to communicate the unique nutritional support of Specialized Nutrition for growing up."

Multi-Channel Engagements and Reach Expansion

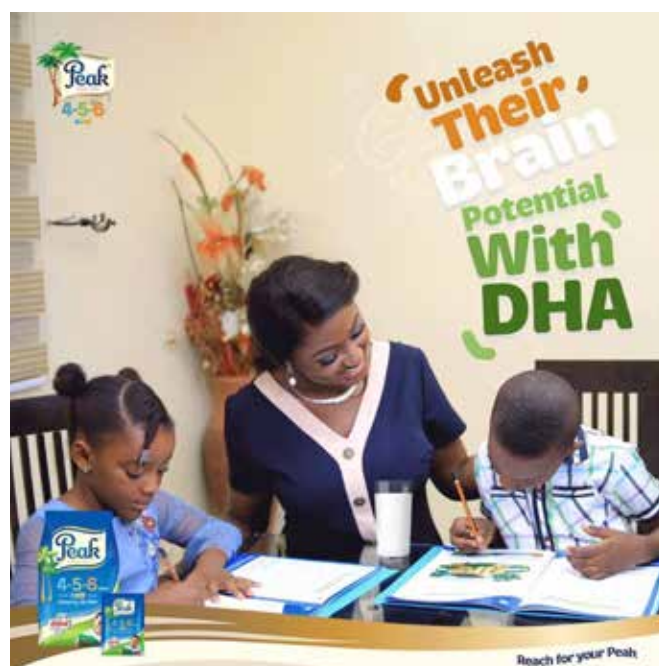
The medical fieldforce halted physical interactions with healthcare professionals due to safety concerns- however, digital was productively deployed in engaging with relevant stakeholders to communicate the unique nutritional support of FrieslandCampina's Specialized Nutrition brands and expanded reach to over 2,500 community health workers in Northern Nigeria.

In 2020, pharmacies and patent medicine stores grew in relevance as need for immune-boosting supplementation accelerated visit frequency of mums to the channel- over 7,000 community pharmacists were engaged with 65% outlet penetration and an index 103% engagement effectiveness vs plan. This initiative was a critical lever of the category and portfolio education ambitions of the business to reach new mums.



Peak 456: Leveraging Digital to Reach Mums and Customers

Peak 456 Growing Up Milk caters to specific nutritional needs of children between the ages of 4-6 years to ensure they grow up healthy, strong and smart. In 2020, with the increased need and heightened awareness of the role of age appropriate nutrition for children, Peak 456 Growing Up Milk distributed over 120,000 sachets to children. This was supported by education of the public on the importance of growing up milk with DHA (Docosahexaenoic acid) for children 4-6 years old via the revamped "Smart Mums Raise Smart Kids." The campaign was executed across consumer and retail channels to ensure mothers were not only equipped with the right nutritional information but also had access to age-appropriate milk to support their children's healthy growth and development. Overall, this resulted in positive growth of the brand, which indexed 178% versus 2019.



Leveraging E-commerce to win with Consumers



FrieslandCampina WAMCO has strongly embraced Digital. This is currently driving positive impact in the organization, its culture and business operations through smart integration of digital technologies, processes and competencies across all levels and functions in a staged and strategic way.

Each department and function delivered at least one digital transformation initiative or project and optimized existing processes to further the business ambition and fully leverage digital to power its growth into the future.

Digital has so far been leveraged to create value for consumers, customers and employees; the business will continue to rapidly adapt to changing circumstances within the operational landscape.

A case in point in 2020 is the Digital transformation agenda and priority to win in E-Commerce by adopting a dual approach of Pure Play and Bricks and Clicks to serve the 24/7 online shopper on every platform through a collaborative partnership with e-retailers.

"We leveraged digital to create value for consumers, customers and employees; the business will continue to rapidly adapt to changing circumstances within the operational landscape."

Our strategy was to drive digital presence and penetration of FrieslandCampina WAMCO assortments while driving and promoting in-store engagement via online interactions. E-commerce was also used as a platform to launch our seasonal packs and new products.

Through e-commerce marketing across digital platforms, over 4million consumers were reached in 2020 (from zero in 2019), driving thousands of traffic to our E-commerce platforms.

Over the period under review, our steps to ensure the brands reached all category buyers across digital platforms based on our core principle of doing business delivered over 95% reach (5% over budget) of target consumers while ensuring strong engagements.



Speak Up Procedure in FrieslandCampina WAMCO Nigeria PLC



Speak Up!

When you have a question or concern that something is not in line with our Compass.

The Investigation Committee will deliberate on the merits of the case. Depending on the circumstances of the report, the involved person(s) would be informed of the allegations and asked to present their side of the case. The Complainant will be kept anonymous. If at the end of the investigation, it is determined that the concern reported has been justified, the Investigation Committee presents its report of the investigation with a recommendation to the Speak Up Committee, which determines the disciplinary action to be meted on the indicted employee or related third party. Subsequently, the Investigation Committee facilitates and monitors the execution of the disciplinary measures while a report on the outcome of the investigation is presented to the person who reported the violation.

If at the end of the investigation, the report is found not to have merit, the Complainant will not face disciplinary measures unless the investigation shows that the report was made in bad faith.

If the Complainant is dissatisfied with the outcome of the investigation, the complainant can escalate to the Corporate Manager of Business Conduct. The Board Audit and Risk Committee receives reports on Speak Up Investigations conducted in the business.

A good and conducive workplace is the best workplace and with the Speak Up process, FrieslandCampina ensures it has the best workplace.

The Company is committed to maintaining an ethical business environment through its whistleblowing process referred to as "Speak Up". Speak Up encourages employees and related third parties to speak up against malpractices and compromises on the fundamental Code of Business Conduct, Ethics and Culture of FrieslandCampina otherwise known as "Compass." The Company has a comprehensive Speak Up procedure which is comprised of a Speak Up Investigation Committee, Local Trusted Representatives and all employees and stakeholders are well informed of this process.

Speak Up related issues can be reported through different channels such as an email or phone call to the Corporate Manager on Business Conduct, Local Trusted Representatives (nominated individuals within the business who act in that capacity), the Speak Up phone or the web service. Speak Up reports can be made anonymously and all anonymous reports made are kept confidential and employees are encouraged to demonstrate utmost good faith in the use of the Speak Up process.

When a Speak Up case is reported, the Local Trusted Representatives will determine if the reported case violates a principle of Compass. If it is determined that there is a violation of Compass, then the report will be forwarded to the Investigation Committee.

FrieslandCampina WAMCO: A Learning Organization



We are in an era of persistent uncertainty, a multigenerational workforce, and a shorter shelf life for knowledge; these have placed a premium on reskilling and upskilling. The shift to a digital, knowledge-based economy means that a vibrant workforce is more important than ever, and FrieslandCampina WAMCO'S response to that is simple: WAMCO Academy! WAMCO Academy represents the start of a journey, into making FrieslandCampina WAMCO a learning organization.

The Wamco Academy

FrieslandCampina WAMCO employees are its most valuable assets, and the Academy team ensures that effective and appropriate learning and development interventions are provided through a variety of channels, for all employees to constantly update their knowledge, develop their skills and broaden their experience.

The year under review has been unlike anything we've experienced in recent history. As HR, we have had to find ways to stay connected with colleagues remotely while ensuring talents are engaged and inspired to grow. We are proud and inspired about how we adapted to our new normal and the creativity/innovation that was demonstrated especially in the area of Performance Improvement, Learning and Talent Development.

Winning in the new normal for Talent & Organisation Effectiveness Team was achieved through various learning strategies including:

- Blended Learnings - 60% virtual and 40% classroom.
- Leveraging in-house Subject Matter Experts.
- Deliberate Talent Management through improved and effective Performance Management System.
- Performance Improvement through Continuous Dialogue.
- Signature Programmes delivered through virtual sessions.
- Leveraging FrieslandCampina Digital Learning Hub.
- Entrenching the 70:20:10 Philosophy - Motivating colleagues to sit on the driver's seat of their career development.
- Reskilling and upskilling through skill gap matrix.

"As HR, we have had to find ways to stay connected with colleagues remotely while ensuring talents are engaged and inspired to grow."



FrieslandCampina WAMCO emerges 'ADVAN Community Hero' at the ADVAN Awards for Marketing Excellence 2020

The prestigious Advertisers Association of Nigeria (ADVAN) Awards recognized FrieslandCampina WAMCO's laudable initiatives towards the support of low income communities during the heat of the COVID-19 Pandemic. This is a worthy recognition of our broad partnership in nourishing Nigerians with quality and affordable dairy products.

FarmKonnnect Agribusiness Nigeria Ltd honours FrieslandCampina WAMCO

FarmKonnnect Agribusiness Nigeria Limited recognized FrieslandCampina WAMCO at the FarmKonnnect's Dinner and End-of-the-year event with an 'Award of Excellence' for our contribution to dairy development in Nigeria. The award was received on behalf of FrieslandCampina WAMCO by Adekunle John, General Manager, Dairy Development Nigeria.

FarmKonnnect Agribusiness Nigeria Limited provides innovative services to enhance farming conditions, facilitates smarter farming operations through modern technologies, skills, and partnering.



Three Crowns Milk Wins Marketing Edge Innovative Dairy Brand of the Decade

Three Crowns emerged winner of the innovative Dairy Brand of the decade at the Marketing Edge Awards 2020 for its constant innovation and creative campaigns that promote healthy lifestyle. With the 'Fitness Challenge' digital campaign, Three Crowns has helped over 10,000 mums stay healthy by encouraging them to workout with whatever household items they can lay their hands on in the comfort of their homes even in the absence of gym equipment. Three Crowns celebrates the uniqueness of every mother or motherfigure annually for always putting her family first while undervaluing her own needs via the 'Mum of the Year Campaign' and have successfully sponsored 9 families on an all expense paid trip abroad just to relax, have fun and bond with their families.

Ore Famurewa Bags Outstanding Corporate Communications Personality of the Decade

The Executive Director, Corporate Affairs, was given a recognition for her sterling leadership roles in the marketing and communications space over the last decade. The Marketing Edge Awards 2020 celebrates excellence in Nigeria's Advertising and Marketing Communications sectors.



Corporate Directory

LAGOS DIVISON

Lagos Mainland
Plot 7B Acme Road, Ogba

Lagos Island
Block 2, Plot 2 CBD Area,
C&I Leasing Street,
Lekki Phase 1, Lekki, Lagos

Ogun
No 23 C, Segun Oshoba Way Okeilewo
Abeokuta, Ogun State

SOUTH WEST DIVISON

Oyo
Exide Battery Warehouse, Governor Alao
Akala Way Off Iwo Road ,Wofun, Ibadan,
Oyo State

Kwara
9 Ahmadu Bello Way GRA, Ilorin

Ondo
Second Floor, Property Plaza, Opposite
Bank of Industry, Alagbaka, Akure,
Ondo State

SOUTH EAST DIVISON

Owerri
Plot 199, Area E New Owerri,
Behind Concord Hotel, Owerri

Delta
Km 5 Asaba-Benin Expressway,
Behinde Obilinks Filling Station,
Asaba, Delta

Abia
CFAO (Nig) Plc 4, Factory Road, Aba, Abia

Enugu
Chase Mall, 33/47 Abakiliki Road, GRA
Enugu

Rivers
33D Old Aba Road, Opposite Love FM, 2nd
Artillery, Porthacourt

NORTH CENTRAL DIVISON

Abuja
Plot 634, Cadastral Zone B02,
Durumi (Area 1), Abuja FCT

Niger
2 Muazu Mohammed Road, 123 Quarters,
Minna, Niger

Nasarawa
13 Heritage Hotel Close, Along Abu, Opposite
Medical Centre Entrance, Along Abuja-Keffi
Highway Maraba, Nasarawa

NORTH WEST DIVISON

Kano
70, Bida Road off Post Office Road,
By Ministry of Agriculture,
Kano

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

Kebbi
House No. 2, Kaiwa Street,
Geshe Phase 1, Opposite Jumat Mosque,
Birnin Kebbi, Kebbi State

Sokoto
No 1E, AL Fodio Road, Sokoto

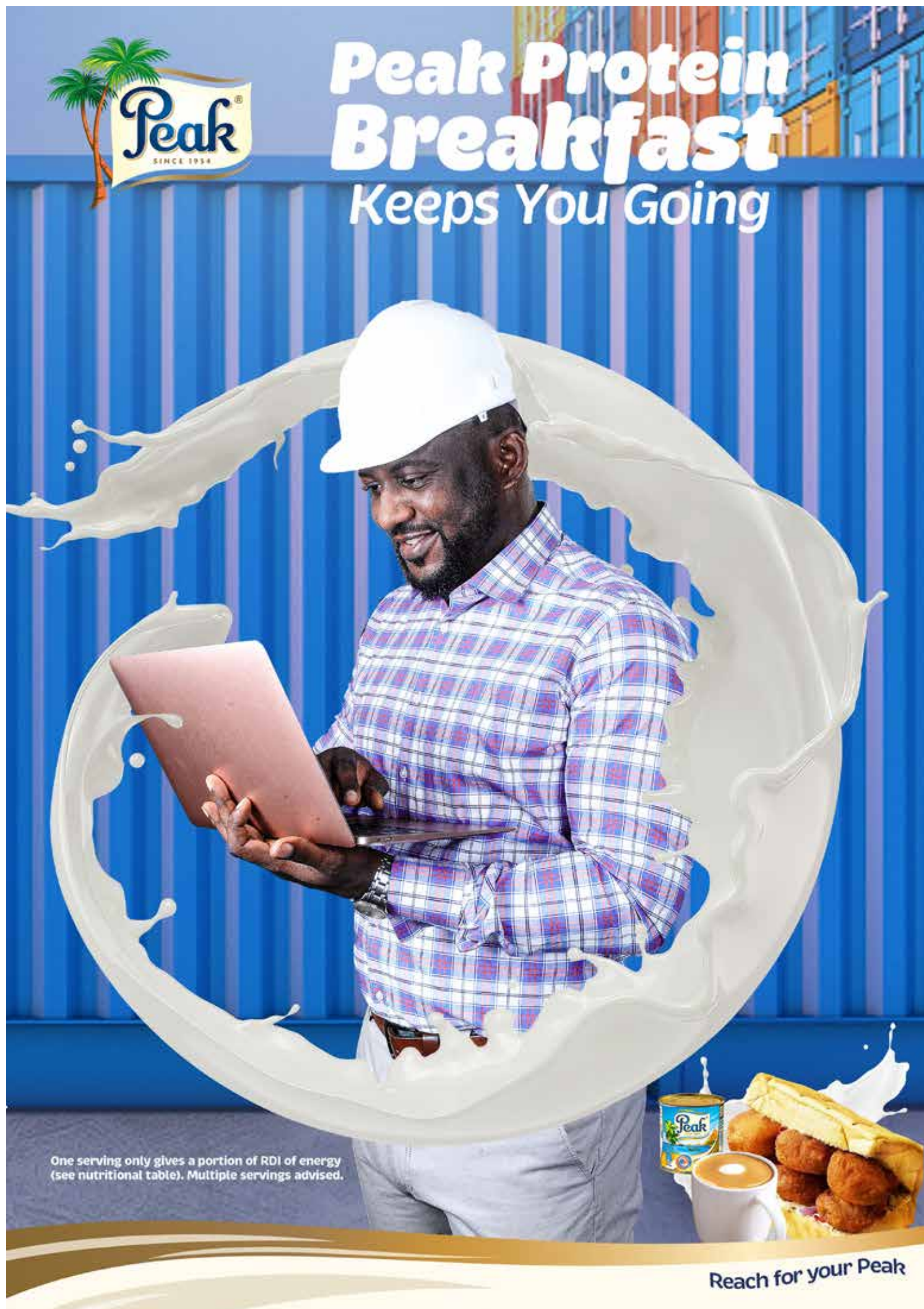
NORTH EAST DIVISON

Plateau
No 3, Old Airport Road, Jos, Plateau

Borno
Suite 2, First Floor, Efunso Multipurpose
Business Technology Building, Opposite State
Secretariat, Jos/Kano Road, Maiduguri, Borno

Gombe
Plot 121, Adamu Fura House,
Adjacent Eco Bank, Biu Road, Gombe

Adamawa
1st Floor, Adamawa State Investment House,
42 Galadimawa Aminu Way, Bank Road,
Luggere-Jimeta, Yola



Peak Protein Breakfast Keeps You Going

One serving only gives a portion of RDI of energy (see nutritional table). Multiple servings advised.

Reach for your Peak



48th Annual General Meeting to be held at Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos, Nigeria on Thursday, 6 May 2021 at 11:00am.

I /We*.....

being a member/members of FrieslandCampina WAMCO Nigeria PLC

hereby appoint**

of
or failing him, Mr. Jacob Moyo Ajekigbe; or failing him, Mr. Bernard Langat; or failing him, Mr. John Ogundipe; or failing him, Sir Sunny Nwosu; or failing him, Mrs. Oreoluwa Famurewa as my/our Proxy to act and vote for me/us and act on my/our behalf at the Annual General Meeting of the Company to be held on 6 May 2021 and at any adjournment thereof.

Dated this.....day of.....2021.

Signature.....

*Delete as necessary

NOTE:

- This Proxy Form should be completed, duly signed and stamped by the Commissioner of Stamp Duties and should be deposited with the Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48hours before the time for holding the meeting.
- This Proxy Form should NOT be completed and sent to the Registrars if the member will be attending the meeting.
- In the case of joint Shareholders, any of such may complete the form, but the names of all joint Shareholders must be stated.
- If executed by a corporation, this form must be sealed with its common seal.
- **Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish, you may insert in the blank space the name of any of the persons listed above, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.

Proxy Form

No. of Shares			
Resolutions	For	Against	Withheld
To declare a Dividend			
To re-elect as Director, Engr. Mustafa Bello			
To re-elect as Director, Mr. Robert Steetskamp			
To re-elect as Director, Mrs. Oyinkan Ade-Ajayi			
To re-elect as Director, Mr. Jacob Moyo Ajekigbe who has attained the age of 70 years.			
To elect as Director, Mr. Marc Galjaard			
To authorize the Directors to fix the remuneration of the Auditors			
To elect members of the Audit Committee			
To approve the remuneration of the Directors			
<i>Please indicate with an 'x' in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.</i>			



Admission Slip

48th Annual General Meeting to be held at the Sheraton Lagos Hotels, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos, Nigeria on Thursday, 6 May 2021 at 11:00am

Name of shareholder..... Number of shares held

Name of person attending Signature

IMPORTANT

This admission slip must be produced by the shareholder or his Proxy who need not be a member of the company, to gain entrance to the Annual General Meeting. Shareholders or their Proxies are requested to sign the admission slip before attending the meeting.

Name of person attending Signature

Affix
Current
Passport
(To be stamped by Bankers)

Write your name at the back of
your passport photograph

E-DIVIDEND

FirstRegistrars

& INVESTOR SERVICES

E-DIVIDEND ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos. Nigeria.

IWe hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick)

☐ Current

☐ Savings

Shareholder Account Information

Surname

First Name

Other Names

Address :

City

State

Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1

Mobile Telephone 2

Email Address

Signature(s)

Company's Seal

Joint/Company's Signatories

Authorised Signature of Banker

Authorised Stamp of Banker

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FIDELTY NIGFUND (INCOME & ACCUMULATED)	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HALDANE MCCALL REIT	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	KAKAWA GUARANTEED INCOME FUND	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	STACO INSURANCE PLC	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

First Registrars & Investor Services Limited

...connecting you to your wealth.

website:www.firstregistrarsnigeria.com; E-mail: info@firstregistrarsnigeria.com

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

E-PRODUCTS



E-PRODUCTS ACTIVATION FORM

You need not worry about the safety of your shares anymore, simply stay aboard with our e-Products and services.

E-SHARE NOTIFIER SMS alerts on transactions that occur on your share account (AGM & EGM, Dividend Payments, Bonuses, Debits/ Credits etc.)

ONLINE-ACCESS Online access to your share account statements. You can view and print your account statement, make change of address and access dividend info etc.

M-ACCESS Smart way to access your stock balances, dividend amount etc. via SMS on your mobile phone. Simply send your assigned PIN to 6591. The service is available only in Nigeria and attracts N20/SMS by network operator

Instruction

Please fill the form and return to the address below:

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos. Nigeria.

Shareholder Account Information

Surname*

First Name*

Other Names

Address Line 1*

Address Line 2

City

State*

Country

GSM No (Mobile)*

GSM No (Telephone)*

Email Address*

Signature(s)*

Corporate stamp/Seal*

Charges:

Individual: ₦1000 per annum/product

Corporate Bodies: ₦2000 per annum/product

Please tick() the product(s) you are activating

All payments should be made into each product's account number respectively:

- ☐ E-Share Notifier activation Account No. 2013302579
☐ Online access activation Account No. 2013798370
☐ M-access activation Account No. 2011760908

in any First Bank branch nationwide and a copy of the payment slip attached to this form upon submission.

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	AFRICAN PAINTS PLC	
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Notes



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www.frieslandcampina.com.ng



COAST

