Quality you can Trust

Honeywell Superfine Flour

...for baker's progress
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FINANCIAL HIGHLIGHTS for the Year Ended 31 March, 2015

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<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>% Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result in thousands of Naira</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>49,057,511</td>
<td>55,084,305</td>
<td>(11)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,434,828</td>
<td>4,237,432</td>
<td>(66)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>1,120,267</td>
<td>3,351,564</td>
<td>(67)</td>
</tr>
<tr>
<td>Total assets</td>
<td>67,943,444</td>
<td>63,830,440</td>
<td>6</td>
</tr>
<tr>
<td>Shareholders’ fund</td>
<td>20,315,834</td>
<td>20,605,248</td>
<td>(1)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>47,627,610</td>
<td>43,225,192</td>
<td>10</td>
</tr>
<tr>
<td>Issued and fully paid share capital</td>
<td>3,965,099</td>
<td>3,965,099</td>
<td>-</td>
</tr>
<tr>
<td>Market Capitalisation at 31\textsuperscript{st} March</td>
<td>23,790,593</td>
<td>23,314,782</td>
<td>2</td>
</tr>
</tbody>
</table>

**Per 50k share data**

<table>
<thead>
<tr>
<th></th>
<th>kobo</th>
<th>kobo</th>
<th>kobo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>14.13</td>
<td>42.26</td>
<td>(28)</td>
</tr>
<tr>
<td>Proposed Dividend</td>
<td>5.00</td>
<td>17.00</td>
<td>(12)</td>
</tr>
<tr>
<td>Net Assets</td>
<td>256.18</td>
<td>259.83</td>
<td>(4)</td>
</tr>
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</table>

**Stock Exchange Information**

<p>| | | |</p>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Exchange Quotation as at 31\textsuperscript{st} March (Naira)</td>
<td>3.00</td>
<td>3.87</td>
</tr>
<tr>
<td>Number of Shares Issued (in millions)</td>
<td>7,930</td>
<td>7,930</td>
</tr>
<tr>
<td>Market Capitalisation as at 31\textsuperscript{st} March (in millions of Naira)</td>
<td>23,791</td>
<td>30,689</td>
</tr>
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</table>

The Directors proposed a Dividend payment of 5 kobo (2014: 17 kobo) per share on the Issued
*Share Capital of 7,930,197,658 ordinary shares of 50 kobo each, subject to the approval of the Shareholders at the Annual General Meeting.

**Financial Calendar**

| (I) Dividend Qualification Date | September 11, 2015 |
| (ii) Closure of Register of Members | September 14, 2015 |
| (iii) 6th Annual General Meeting to receive the Audited Financial Statements for the year ended March 31, 2015 | September 29, 2015 |
| (iv) Payment of Dividend | September 30, 2015 |
NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of Honeywell Flour Mills Plc will hold as follows:

Date: Tuesday 29 September, 2015

Venue: Civic Centre,
Ozumba Mbadiwe Street,
Victoria Island,
Lagos.

Time: 11 a.m.

The following will be transacted at the meeting as ordinary business:

1. To receive the Audited Financial Statements for the year ended 31st March 2015 together with the Report of the Directors, Auditors and Audit Committee thereon

2. To declare a Dividend

3. To appoint new/re-elect retiring Directors
   Pursuant to Section 256 of the Companies & Allied Matters Act 2004, special notice is hereby given that Dr. Oba Otudeko, CFR and Lt. Gen. Garba Daba (rtd.) who are eligible for re-election, are 72 and 74 years old respectively

4. To authorise the Directors to fix the Auditors remuneration

5. To elect members of the Audit Committee

Special Business:

6. To approve the remuneration of Directors

Proxy
Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is enclosed herewith. A proxy form must be completed and deposited at the office of the Company's Registrar, First Registrars Limited, 2 Abebe Village Road, Iganmu Lagos not later than 48 hours before the time fixed for the meeting.
INTRODUCTION
NOTICE OF ANNUAL GENERAL MEETING

Audit Committee
Any Shareholder may nominate another Shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.

Dividend
If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by Wednesday, 30 September, 2015 to the Shareholders whose names appear in the Company's Register of Members at the close of business on Friday, September 11, 2015.

Closure of Register and Transfer Books
The Register of Members and Transfer books will be closed from Monday, September 14, 2015 to Friday, September 18, 2015, both days inclusive for the purpose of updating the Register of Members.

E-Dividend
Notice is hereby given to all shareholders to open bank accounts, stock broking accounts and CSCS accounts for the purpose of dividend payments. A detachable application form for the purpose of e-dividend payments is attached to this Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar (First Registrars Limited) as soon as possible.

BY ORDER OF THE BOARD

Oluwayemisi Busari (Mrs.)
Company Secretary
FRC/2013/NBA/0000004046
Honeywell Semolina

We love it!

- Easy to prepare
- Smooth to Feel
- Pleasure to Eat

...a plate of delight!
INTRODUCTION
CORPORATE PROFILE
COMPANY HISTORY

Honeywell Flour Mills Plc is a leading and highly successful indigenous Company in Nigeria with a mission “to use enterprise to make our world better”. To achieve this, the Company has positioned itself to lead its market in the production, distribution, sales and marketing of superior quality products.

The Company started as Gateway Honeywell Flour Mills Limited on June 21, 1983 and was incorporated for the production of flour and livestock feeds from wheat, sorghum, maize and millet. A change in the Company’s ownership structure led to a change in name to Honeywell Flour Mills Limited in June 1995.

Following a successful IPO and subsequent listing on the Nigerian Stock Exchange in 2009, the Company became a publicly quoted Company as Honeywell Flour Mills Plc.

In April 1993, the Company entered into a contract-milling arrangement with a Flour Mill in Ibadan to produce wheat flour under the brand name of “Honeywell Superfine Flour”. The brand immediately gained wide acceptability in the flour market. The construction and installation of a 200-metric tonne wheat Mill commenced in 1995 at the Tin Can Island site.

Following the successful completion of the 200-metric tonne per day Mill, commercial production and sale of “Honeywell Superfine Flour” commenced on July 13, 1998. The growing demand for the product made it expedient for the Company to plan for the expansion of its production capacity. Thus, in 1999, the Company embarked on a re-modeling of its wheat Mill to a 360-tonne per day Mill. This project was satisfactorily completed in May 2000. The installation and commissioning in November 2001 of a 250-metric tonne per day Mill increased the Company's installed capacity to 610 metric tonnes per day.

To remain a relevant and significant player in the flour milling industry, the Company took a giant leap with the installation of two 500-metric tonne per day Mills that were brought into production in July 2005. This additional capacity brought the total installed capacity of the Company to 1,610 metric tonnes per day.

The Company also launched its brand of Semolina, Honeywell Semolina in June 2006, and has been a huge success since its introduction and is today adjudged by consumers as the leading Semolina brand.

To further maximize its value chain, the Company launched its own brand of noodles in 2006 (initially as O! Noodles and later re-launched with better quality seasoning and packaging as Honeywell Noodles). Honeywell Pasta (Spaghetti and Macaroni) and Honeywell Wheat Meal were all launched in 2009. All the brands have been well accepted by consumers and have been growing rapidly.

The addition of another state-of-the-art twin Mills of 500-metric tonnes per day each in 2012 took the capacity to 2,610 metric-tonnes per day. This latest expansion project is about 1,200% overall increase in
capacity since the commencement of business. Future capacity expansion has been planned for the Company’s new Sagamu project (which is on a 63 hectare land space at the Sagamu interchange along the Lagos-Ibadan expressway).

The Company’s goal is to support women (who are its major targets) to provide nourishing meals for their families with its consumer goods and bakers with its industrial product (flour). The Company continues to invest in new product research and development to enable her produce more food product varieties for its teeming consumers. Future expansion projects will focus on pasta, noodles and animal feed production. New products will be introduced to meet consumer demands as we make efforts to realise our corporate goals and objectives.

OUR CORE VALUES
• Responsibility
• Integrity
• Courage
• Excellence
• Respect

QUALITY POLICY
The Company is committed to the continuous achievement of business successes by maintaining its quality leadership in the flour milling industry. This is driven by a quality management system designed to ensure that customers are always provided with quality products and services, which meet internal standards set for the purpose. Such standards are in full compliance with all statutory and regulatory requirements, and are set out in writing for adherence by all staff at all times.

Honeywell Flour Mills Plc was the first flour milling company in Nigeria to be ISO-certified. All its processes and procedures across the organisation are in line with international best practices to ensure that it continuously produces good quality products for the complete satisfaction of its highly esteemed customers. The Company employs state-of-the-art facilities for the production of its various brands in conjunction with its technical partners Buhler AG of Switzerland (the world’s leading milling equipment manufacturer) for the installation and maintenance of its mills as well as a partnership agreement with Muhlenchemie of Germany for the supply of additives.

PRODUCTS
Honeywell Flour Mills produces a wide range of superior quality products for the complete satisfaction of its highly esteemed customers/consumers. These products include:
Flour (Honeywell Superfine Flour, Honeywell Brown Flour and Honeywell Composite Flour): used mainly for baking. The brand was launched in July 1998 and has since carved a niche for itself through
INTRODUCTION

CORPORATE PROFILE

consistent superior quality improvement. The company provides efficient customer service, superior baking training and support for bakers across Nigeria.

Honeywell Semolina: This is a wheat-based ball food that is easy to prepare, smooth to eat and enjoyed with any kind of soup. The brand has set new quality standards for semolina, which it has maintained since its introduction and this is evident in its continued increased demand and preference by consumers. The brand packaging is distinct and stands out on the shelf.

Honeywell Wheat Meal: This was launched into the market in 2009. At that time, this category was largely underdeveloped and unpopular. The company has continued to invest in heavy marketing and sales support to develop and grow this category and make it acceptable to all consumer segments. The brand goes well with any soup, is easy to prepare, hygienically packed and a more healthy way to enjoy ball food. It is good for everyone irrespective of social status. The brand packaging is distinct and stands out on the shelf.

Honeywell Pasta: made from the finest quality wheat semolina. The brand is well accepted by consumers for its excellent quality and it comes in very attractive packaging which stands it out on the shelf.

Honeywell Noodles: This is made from fine quality flour and comes in four different variants; Chicken, Curry Chicken, Onion Chicken and Seafood. Honeywell Noodles seasoning are a consumer delight. The brand packaging is distinct and stands out on the shelf.

In line with NAFDAC and SON requirements, all our brands are fortified with vitamin A and other essential minerals that are good for the body.

All our brands are rated 3 in their different categories with respect to market share, top-of-the-mind awareness and consumer usage.

CORPORATE SOCIAL RESPONSIBILITY

Honeywell Flour Mills Plc is a socially responsible Company. It engages in projects that aims at alleviating poverty, aiding learning and helping the less privileged. The Company is also the only Flour Milling Company in Nigeria that provides formal training for bakers. Most bakers in Nigeria have not had any formal training in baking as the skill is acquired more through the apprenticeship model. However, the Company has since set up a training school for bakers in furtherance of its belief that baking is both a science and an art that cannot be fully mastered through apprenticeship alone but through some formal training.
INTRODUCTION
DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors
Dr. Oba Otudeko, D.Sc. (Hon) CFR - Chairman
Mr. Olanrewaju Bamidele Jaiyeola - Managing Director
Mr. Obafemi Otudeko
Lt. General Garba Duba [Rtd]
Mr. David William Obray (South African) - Resigned effective December 16, 2014
Mr. Akinsoji Akintayo
Mr. Theophilus Ojuranti Sokunbi
Dr. Nino Albert Ozara - Executive Director
Mr. Rotimi Gbenga D. Fadipe - Executive Director
Mr. Benson Osaretin Evbuomwan - Executive Director
Mr. Alan Palmer (British) With effect from 16 December, 2014
Dr. Teddy Ngu (Cameroonain) With effect from 16 December, 2014
Mr. Andrew Smith-Maxwell (British) With effect from 16 December, 2014
Mrs. Wonuola Adetayo With effect from 16 December, 2014
Dr. Raymond Zoukpo (Ivorian) With effect from 16 December, 2014

Secretary
Mrs. Oluwayemisi Busari
Tel: +234 1 731 5870, +234 1 793 2694

Operational Offices
(a) Apapa Factory
  2nd Gate By-Pass
  Tin Can Island Port
  Apapa,
  Lagos.
  Website: www.honeywellflour.com
  Email: hfl1@honeywellflour.com

(b) Ikeja Factory
  Plot YABB, Mobolaji Johnson Avenue
  Alausa
  Ikeja,
  Lagos.
INTRODUCTION
DIRECTORS AND OTHER CORPORATE INFORMATION

Registrars
First Registrars Nigeria Limited
2, Abebe Village Road,
Iganmu, Lagos.

Registered Office
SW8/1185 Sanda Street
Molete, Ibadan,
Oyo.

Bankers
• Access Bank Plc
• Diamond Bank Plc
• Ecobank Nigeria Plc
• Fidelity Bank Plc
• First Bank of Nigeria Limited
• Guaranty Trust Bank Plc
• Keystone Bank Limited
• Skye Bank Plc
• Standard Chartered Bank Nigeria Limited
• Union Bank of Nigeria Plc
• United Bank for Africa Plc
• Zenith Bank Plc

Independent Auditors
BBC PROFESSIONALS
(Chartered Accountants)
24, Ilupeju By-Pass
Ilupeju,
Lagos.
## BUSINESS REVIEW

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<td>THE REPORT OF THE DIRECTORS</td>
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</table>
Esteemed shareholders, my fellow board members, distinguished ladies and gentlemen. It is indeed my pleasure to welcome you all to the 6th Annual General Meeting (AGM) of Honeywell Flour Mills Plc. Your presence at this annual event signifies your commitment to the growth and prosperity of our dear Company and it is in the light of this unwavering commitment that I stand here today to present, to you, the Annual Report and Accounts of your Company for the period 1st April, 2014 to 31st March, 2015.

Dr. Oba Otudeko, CFR
Chairman
Fellow shareholders, the strength of a great enterprise is only evident when it withstands the turbulence associated with economic upheaval, such as we witnessed last year. In the wake of disruptions triggered by global economic events and our fixation, locally, on political events, a negative snowball effect was created in our operating environment which resulted in our company performing in a manner that is a departure from previous years. However, despite the very harsh operating environment, our Company’s Board and Management handled these externalities in such a manner that resulted in what the market considers a better result than industry average. Our Company continues to demonstrate strong fundamentals and the agility to withstand the increasing competitive environment and unfavourable operating conditions.

**The Global Economic Environment**

The International Monetary Fund (IMF) has estimated global growth in 2014 at 3.4 per cent, the same growth rate recorded in 2013. The contrast to previous years lies in the fact that the advanced economies grew faster at 1.8 per cent relative to their 1.4 per cent growth rate in 2013 while the emerging market and developing economies experienced a slow down to 4.6 per cent in 2014, from the 5 per cent recorded in 2013.

Intricate events that affected the global economy in 2014 include the crash in oil prices and other commodities largely due to increased production, particularly of shale oil in the United States. This had a significant impact on OPEC countries as their oil revenues dwindled drastically.

Currency exchange rate swings in emerging markets and developing economies had reverberating effects on the flow of trade. The reactionary monetary policies that followed these swings also created uncertainties in the global and local markets.

Increased consumer confidence and jobs growth in the US led to economic growth of 3.1 per cent up from 2.4 per cent in 2013. Shocks in the Euro area; declining investment growth in China, zero growth and depressed consumer spending in Japan are other factors that characterized the global economy in 2014.

Other factors that affected the global economy include tensions in Russia/Ukraine which led to economic sanctions on Russia by the West and continued fighting in the Middle East, notably around the Iraq/Syria region. These events together with adverse but natural weather occurrences led to high volatility in the price of wheat, our major raw material, in 2014.

**Nigerian Economic and Business Environment**

The Nigerian economic and business environment witnessed various challenges throughout the financial year, with Nigeria
BUSINESS REVIEW
CHAIRMAN’S STATEMENT cont’d

experiencing a further slide in the ease of doing business.

The sharp decline in the price of crude oil during the third quarter of the 2014 calendar year posed a major challenge to the country’s external reserves and public finances. Crude oil accounts for approximately 90 per cent of the nation’s exports and roughly 75 per cent of consolidated budgetary revenues. Nigeria’s overall revenue declined in line with reduced demand for Nigeria’s Bonny Light crude. The shock in global oil pricing put strong downward pressure on our national currency, resulting in about 28 per cent depreciation of the Naira. Gross foreign reserves fell from US$39 billion in July 2014 to just under US $30 billion as at March 2015. This led to a supply gap in the foreign exchange market as the demand for US dollars outpaced availability; the Nigerian Naira was under pressure and in a bid to achieve stability, the Central Bank of Nigeria (CBN) had to intervene several times during the year.

In November 2014, the Central Bank of Nigeria responded to the downward pressure on the exchange rate by devaluing and widening the N/US$ band from N150-N160 to N160-N176. In February 2015, the CBN responded further – cancelling its dollar auctions and targeting a new fixed exchange rate of N196.5. The exchange rate in the parallel market widened to N240/US$ in July 2015 as the central bank tightened access to the US dollar.

To tighten monetary policy, the CBN for the first time in almost two years, raised the Monetary Policy Rate (MPR) by 100 basis points to 13 per cent. Cash Reserve Ratio (CRR) on private funds held by the banks were also adjusted to 20 per cent from 15 per cent, effectively reducing liquidity and increasing the cost of borrowing.

Apapa Traffic Gridlock
The state of critical infrastructure remained poor in 2014. In particular, the Apapa area, home to Nigeria’s oldest and busiest seaport, continues to suffer from declining infrastructure around the ports. Roads leading to and from Apapa have effectively become car parks. Truck parking facilities around the ports that should have been completed years ago seem to have become abandoned projects. These problems have compromised our logistics efficiency by frustrating the prompt loading of products resulting in longer turnaround times and reduced stock turnover.

Security
The security issues plaguing the North Eastern part of the country also had a significant impact on our business operations. The North East which was one of the leading contributors to our revenue practically became a no-go area. The insecurity in the region has taken its toll on commerce generally in Nigeria and made it difficult for our distribution trucks to freely access the North Eastern markets thereby causing restricted sales activities in one of our key markets.
Results for the Year
Despite the daunting challenges pervading the operating environment, we remain resolute in our goal to continue to deliver products that deliver superior value to our consumers. It is clear to us that our ability to meet this commitment to our customers is inextricably linked to our aspirations to deliver shareholder value.

Despite the challenging operating environment our Company recorded a turnover of ₦49.05 billion representing an 11 per cent decrease from the ₦55.08 billion reported in FY2014.

While we were able to protect our market share in most categories, we could not immediately factor cost increments into product prices. In addition, the weakening of the Naira against the Dollar led to a significant increase in the cost of foreign inputs especially wheat and engineering spares. It also caused a significant foreign exchange loss which further eroded our profit margins. These factors led to a decline in Profit before Tax (PBT) to ₦1.43 billion.

Total Assets rose by 6 per cent to ₦67.94 billion from ₦63.83 billion reported in 2014. Asset growth in the review period was largely driven by our on-going capacity expansion projects. Appreciable progress is being made in our factory expansion project in Shagamu.

I am pleased to announce that during the financial year, we completed and commissioned a fourth instant noodles production line at our Ikeja Plant; this increase in capacity is expected to boost revenue in the next financial year.

Dividends
Our resolve to continue to appreciate and reward our Shareholders on a yearly basis remains unwavering in spite of the challenging results. In line with this objective, the Board of Directors has recommended a total dividend pay-out of ₦396,509,883 representing a distribution of 5 kobo for every 50 kobo ordinary share held. Subject to your approval, the dividend will be paid on 30th September, 2015. Appropriate Withholding Tax will be deducted at the time of payment and remitted to the applicable State or Federal Tax Authorities.

Changes to the Board
Since the last Annual General Meeting on the 16th of September 2014 there have been some changes in the composition of the Board of Directors.

I am pleased to announce and welcome five additional Non-Executive Directors to the Board of our Company: Mrs. Wonuola Adetayo, Dr. Raymond Zate Zoukpo, Mr. Alan F. Palmer, Dr. Teddy Ngu and Mr. Andrew Smith-Maxwell. The new Directors joined the Board on 16th December, 2014. These appointments are in response to your valuable
comments at the last Annual General Meeting and in furtherance of our vision to become one of Africa’s leading food companies, with a diverse portfolio of leading products and brands, preferred by our consumers.

The appointment of the new Directors brings a track record of individual achievement and world class experience in the foods industry and other sectors. This broad experience will further strengthen the Board of our Company in its role of leading our Company and guiding the management team in the achievement of our Company’s vision. The appointment of these highly qualified and diverse individuals also underlines our Company’s commitment to ensuring the highest level of corporate governance.

We recognize the importance of having the right quality of people across all levels of the organization, including on the board and therefore our new board members were appointed because of their collective wealth of experience from some of Africa’s and the world’s leading organizations. We believe that the unique blend of their knowledge, insight and independent perspective will be of immense benefit to our Company. The diverse background and experience of the new Directors will enrich the quality of the strategic direction that the Board will chart for your Company.

Retirement by Rotation

In line with the Company’s Articles of Association, the following Directors: Dr. Oba Otudeko (CFR), Lt. Gen. Garba Duba (rtd), Mr. Oluranti Sokunbi, Dr. Nino Ozara and Mr. Soji Akintayo, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-election.

Human Capital

Our people remain our most treasured asset. We continually strive to deploy the best human resources practices in order to ensure that staff competence and productivity are at the cutting edge. During the year, about 90 per cent of our staff attended various training programmes locally and overseas to take advantage of learning opportunities aimed at ensuring that their skills remain relevant and appropriate for the jobs that have been assigned to them.

During the year as part of the continuous process to improve work conditions and further motivate our members of staff, a work-life balance policy was developed, approved and deployed to improve employees' wellness. We believe this will further make your company the preferred place to work for our staff.

Research and Development

We continue to invest in Research and Development with the objective of improving our existing products while also introducing new product varieties that meet the needs of our
consumers. The Research & Development Team has been strengthened in order to enrich the quality and variety of our product portfolio.

In line with my promise to you at the last Annual General Meeting, your Company continued with its journey to becoming a more diversified foods focused Company. This is in line with the Federal Government’s Agricultural Transformation Agenda (ATA). I am delighted to announce to you that during the year the Honourable Minister of Agriculture and Rural Infrastructure launched the Honeywell Composite Flour (that contains 10 per cent local High Quality Cassava Flour). This new product has been readily accepted and is in use by master bakers nationwide.

Awards
Apart from other numerous instances of recognition and conferment of awards, at an award ceremony organized by the administration of former President Goodluck Ebele Jonathan, your company was listed among the top 100 most respected companies in Nigeria.

Future Outlook
The uncertainties around exchange rates, interest rates, inflation and financial sector conditions are likely to define the Nigerian economy in the new financial year. With the successful conclusion of the 2015 elections and the smooth transition to a new Government at Federal and State levels, the political climate has become more stable. The prospect for growth and better performance for our Company in the new Financial Year is bright. We are optimistic that our performance will improve, above the level achieved in this Financial Year.

We are clear about our vision to become the most admired African foods company, operating across the food value chain from farm to fork. We believe that the natural resources in Nigeria as well as the population base of the country, give us an advantage for the achievement of our vision. In furtherance of this vision, the development of the Honeywell Foods and agro-allied industrial complex at Shagamu is in top gear and proceeding as planned. We are excited about this project as its completion will improve our ability to increase revenues, provide jobs for Nigerians and empower others who partner with us in serving our customers and consumers. The future of our Company is indeed very bright as we are poised to reap the benefits of the investments we are currently undertaking.

As we continue to position our businesses to deliver returns to our Shareholders, we have also taken strategic measures to enhance our business. These include the successful transitioning to our current Enterprise Resource Planning Software.
Appreciation
Dear Shareholders, please permit me to convey the appreciation of the Board of Directors to the Management and Staff of our Company for their commendable efforts in achieving this result being presented to you today despite the challenging business environment that we faced during this Financial Year. While the result is modest, it indicates a better level of performance when compared with industry performance. I would also like to thank our Customers, the Master Bakers throughout Nigeria and other Business Partners for their unalloyed support and collaboration notwithstanding the traffic challenge they face in accessing our Apapa Factory. We appreciate all these very important stakeholders and sincerely hold them very dear to our heart.

I cannot conclude my address without expressing my appreciation to you, our esteemed Shareholders, for your continued demonstration of confidence in your Company through thick and thin. I thank you for your attendance and look forward to your participation and usual valuable contributions to the activities of the day. Once again I welcome you all.

Dr. Oba Otudeko, CFR
Chairman of the Board
BOARD of DIRECTORS
1 Dr. Oba Otudeko, D.Sc. (Hon.) CFR  
Chairman  
An astute entrepreneur with business interests spanning various sectors of the Nigerian economy; A Fellow of the Chartered Institute of Bankers, UK; Institute of Chartered and Corporate Accountants, UK; Institute of Chartered Secretaries and Administrators of Nigeria. He is the Chairman of Honeywell Group of Companies.  
He is a Director of the Lagos Sheraton Hotel and a former Director of Central Bank of Nigeria, Ecobank Transnational Incorporated, British-American Tobacco Company Limited and Franco-Nigerian Chamber of Commerce and Industry. He is also the Group Chairman, FBN Holdings Plc and former President of the Nigeria Stock Exchange. He is a member of the Office of Distinguished Friends of London Business School.

2 Olanrewaju Jaicyola  
Managing Director  
Laure holds a Bachelors degree in Mathematics and Statistics from the University of Ife now Obafemi Awolowo University, He he and an MBA in Finance from the University of Lagos. He is an Associate of the Institute of Chartered Accountants of Nigeria.  
He was formerly the Commercial Director at the Company’s Ikeda Factory. He has been in the service of Company for over 20 years. His career and business management experience in the Company spans finance, sales management and manufacturing management.  
He assumed the role of Managing Director on 1st April 2014.

3 Lt. General Garba Duba (Rtd)  
Non-Executive Director  
General Duba has played several political and economic roles as Leader of the Niger State delegation to the National Political Reform Conference and Chairman, New Nigerian Development Company Ltd.  
He is currently the Chairman, SGI Nigeria Limited and has been on the board of Honeywell Flour Mills Plc since August 1998.

4 Dr. Teddy Ngu  
Dr. Teddy Ngu is presently Head, Corporate Development and Investments at Honeywell Group. He has over 17 years of experience in strategy consulting, corporate strategy, corporate finance and auditing, having led and served on project teams with some of the world’s leading consulting firms in over 15 countries in four continents.  
Before joining Honeywell Group he was a Director and Head of Strategy and Operations Consulting at the Lagos office of PricewaterhouseCoopers (PwC).  
Prior to PwC, Dr. Ngu was part of the Corporate Strategy and Development Group at PepsiCo, New York and previously a consultant with the New York Office of the Boston Consulting Group (BCG).  
He qualified as a chartered accountant (ICAELW), with the UK practice of the global professional services company, Ernst & Young.  
He attended The Wharton Business School, from where he obtained his MBA.  
He also has a PhD in Mechanical Engineering.

5 Akintoye Akinjo  
Non-Executive Director  
Mr. Akinjo had a robust career with Honeywell Flour Mills where he was initially employed in the position of Financial Controller and later Finance Director. He was later appointed the Group Chief Finance Officer of the Honeywell Group in 2008 and as an Executive Director of Honeywell Fisheries Limited.  
He is currently the acting Managing Director of Pivot Engineering Company Limited. He is a Chartered Accountant and a member of the Institute of Cost and Management Accountants, U.K and the Certified General Accountants of Ontario, Canada.  
He was previously in the employment of Federal Express in Canada, Consolidated Breweries Limited, Phillips Consulting and Unilever Nigeria Plc.  
He was appointed to the Board of the Company in May 2009.

6 Obafemi Otudeko  
Non-Executive Director  
He is a Chartered Accountant by training and Executive Director of the Honeywell Group. At the Honeywell Group, he has primary responsibility for the Group’s Strategy & Coordination, Corporate Development and Risk Management. He has also directed oversight of the Group’s Portfolio Investments.  
He joined the Honeywell Group in 2003 as a Senior Manager in the Oil and Gas projects group, responsible for strategy formulation and business development. Prior to joining the Honeywell Group, he was a Senior Associate in the Financial Services Industry Practice of PricewaterhouseCoopers where he provided Assurance and Advisory services to clients in the private and public sector.  
He has been a member of the Board of Honeywell Flour Mills since 2006. He is also a Director of First Bank of Nigeria Limited.

7 Andrew Smith-Maxwell  
Mr. Andrew Smith-Maxwell has over 25 years of global investment banking experience from some of the world’s leading Investment banks.  
He has been a partner in Fieldstone Private Capital Group, a boutique investment bank specialising in power and infrastructure projects across Africa. Prior to that, he led and built up the Energy and Utilities Group at BNP Paribas in Wasserstein, an erstwhile British-based investment bank which is now a member of the global banking group, Commerzbank, where he was responsible for overseeing its teams in the UK, Germany, Asia, Latin America and the United States.  
He has previously served on the Board of Wessex Water following its acquisition by YTL Power International. He will add his considerable experience and insight into corporate finance to the board of the company.
8 Dr. Nino Albert Ozara  
Divisional Managing Director  
Dr. Albert Ozara, has been appointed to the position of the Divisional Managing Director (Designate) for one of the Company’s major divisions. He is currently responsible for managing the Company’s Ojota factory where he has responsibility for its overall performance.
Albert joined the Company in 1998 from the Federal University of Technology, Owerri where he had risen to the position of Head of the Crop Production Department. He holds a First Class degree in Soil Science from the University of Ibadan, and a Doctorate degree also in Soil Science from the Cranfield Institute of Technology, United Kingdom. He subsequently had his professional flour milling training at the Swiss Milling School, St. Gallen, Switzerland and the Buhrler Training Centre, Uzwil also in Switzerland.

9 Theophilus Oluranti Sokunbi  
Non-Executive Director  
A graduate of Chemistry from the University of Ibadan, Nigeria, he obtained a Post Graduate Certificate in Management (PGCM) from University of Derby, U.K. 2000. He has attended several other management courses both locally and internationally some of which includes Senior Management Development programmes at Ashridge Management College and Total Quality management Courses from the Lagos Business School.  
He has held various management positions at West African Portland Cement Plc (Nigeria) where he resigned as the Managing Director in 2005. He is a member of several professional bodies including Nigerian Institute of Management and a fellow of the Nigerian Institute of Marketing.  
He is presently the Chairman of Jacobs Educational Services Ltd and Tonbol International Ltd.  
He joined the Board of Honeywell Flour Mills on October 17, 2011.

10 Wonuola Adetayo (Mrs)  
Mrs. Wonuola Adetayo has over 25 years of combined Consulting and Marketing experience. She is currently a partner, co-founder and Chief Executive of Kainos Edge Consulting Limited.  
Mrs Adetayo’s rich career has seen her work, at various times, in senior marketing and leadership roles across different geographies with Unilever/UACN.  
These roles included: Divisional Marketing Director, UAC Foods; Marketing Director, CAP Plc; Managing Director, UACN Pharmaceutical & Personal Products Limited; and, Group Marketing Manager, Unilever Caribbean in Trinidad & Tobago.  
She left UACN/Unilever to work in consulting, joining Phillips Consulting as Associate Director.  
She later founded and was Managing Director of SoftSkills Management Consultants. She was a member of the Nigeria 2020 Vision Drafting Committee and Chairman of the Governance & Institutions sub-committee.  
She currently serves on the board of the Nigerian Economic Summit Group (NESG).

11 Rotimi Gbenga Fadipe  
Executive Director, Supply Chain  
Rotimi holds a accounting degree from the University of Lagos, and is a Fellow of the Institute of Chartered Accountants of Nigeria. He is a member of the Chartered Institute of Purchasing and Supply, UK and of the Chartered Institute of Logistics and Transport, UK.
He joined the Company more than two decades ago as a Management Trainee. He has acquired a robust business management experience in the areas of finance, audit and supply chain management. He was the pioneer manager for the supplies and logistics function of the Company. He was elevated to the Board in the position of Executive Director, Supply Chain on October 2, 2013.

12 Benson Evbuomwan  
Executive Director, Marketing  
Benson holds a Bachelors degree in Pharmacy from University of Benin and is a member of Advertising Practitioners Council of Nigeria (APCON).  
Benson joined Honeywell Flour Mills in 2006 as General Manager, Marketing after holding senior marketing positions at Procter & Gamble Nigeria and Guinness Nigeria Plc respectively. He has over 16 years of rich brand management experience in the Food and Beverage Sector.  
His appointment to the Board took effect from October 2, 2013 when he was elevated to the post of Executive Director, Marketing.

13 Dr. Raymond Zoukpo  
Dr. Zale Raymond Zoukpo obtained his Ph.D in Economics from the University of Tsukuba, Japan in 1985. As a scholar, Dr. Zoukpo began his career as a Research Fellow with the Iwiron Centre for Economic and Social Research.  
He later went into banking, where he spent 25 meritorious years across diverse executive roles and functions at African Development Bank (AfDB), from where he retired as Director, First Vice Presidency and Chief Operating Office.

14 Mr. Alan Palmer  
Mr. Alan Palmer is the immediate past Managing Director and CEO of Kraft West Africa and Cadbury Nigeria Plc.  
He was also previously the Managing Director, South-East Asia for Cadbury Schweppes Plc. Mr. Palmer has close to 40 years of experience in the Fast Moving Consumer Goods (FMCG) space working with global organisations such as Kraft Foods Incorporated, Cadbury Plc and Trebor Bassett Limited.  
Alan Palmer is presently CEO Foods, Honeywell Group where he has primary responsibility for managing the transformation of the Honeywell Foods Business into a leading, world-class, pan-African foods FMCG company.
BUSINESS REVIEW
REPORT OF THE DIRECTORS for the Year Ended 31 March, 2015

The Directors now have the pleasure to submit to you their annual report together with the audited financial statements for the year ended 31st March, 2015.

PRINCIPAL ACTIVITIES
Honeywell Flour Mills Plc. (HFM Plc.) was initially registered as GATEWAY HONEYWELL FLOUR MILLS LIMITED on 21 June, 1983, and with the change in the company’s ownership structure, the company became HONEYWELL FLOUR MILLS LIMITED in June 1995. The Company became a Public Liability Company in 2008 and its shares listed on the Nigeria Stock Exchange (NSE) in 2009. The Company is principally involved in the manufacturing and marketing of wheat based products such as flour, semolina, whole wheat meal, noodles and pasta.

RESULTS FOR THE YEAR

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<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>49,057,511</td>
<td>55,084,305</td>
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<tr>
<td>Profit before taxation</td>
<td>1,434,828</td>
<td>4,237,432</td>
</tr>
<tr>
<td>Taxation</td>
<td>(314,561)</td>
<td>(885,868)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>1,120,267</td>
<td>3,351,564</td>
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DIVIDEND
The Directors are pleased to recommend to the shareholders the payment of dividend in respect of the year of N396,509,883 that is 5 kobo per share. This is subject to deduction of appropriate withholding tax.

PRODUCTS DISTRIBUTION
The Company’s products are distributed through many distributors across the country.

CORPORATE GOVERNANCE
The company is committed to the best practices and procedures in Corporate Governance. Its business is conducted in a fair, honest and transparent manner which conforms with the Code of Best Practices on Corporate Governance in Nigeria. Examples of the Company’s compliance with these Corporate Governance requirements during the year under review are as follows:

i  **Board Composition**
The Board consists of a non-executive chairman, nine (9) non-executive Directors, and four (4) executive Directors, all bringing a high level of competence and expertise. They are professionals and entrepreneurs with vast business management experiences and credible track records.