



NATIONAL SALT COMPANY OF NIG. PLC.  
RC.11364

**2009  
ANNUAL REPORT  
& ACCOUNTS**



## Contents

	Page
• Notice of Annual General Meeting	2
• Directors, Advisers and Other Corporate Information	3
• Financial Highlights	4
• Chairman's Statement	5
• Board of Directors	6
• Report of the Directors	7
• Corporate Governance Report	11
• Report of the Audit Committee	13
• Independent Auditors' Report	14
• Statement of Accounting Policies	15
• Profit and Loss Account	16
• Balance Sheet	17
• Statement of Cash Flows	18
• Notes to the Financial Statements	19
• Value Added Statement	27
• Five-Year Financial Summary	28
• Proxy Form	30



## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the ANNUAL GENERAL MEETING of NATIONAL SALT COMPANY OF NIGERIA PLC (NASCON) for the year 2009 will hold on Thursday, 16th September, 2010 at TAHIR HOTEL, KANO at 12 noon prompt to transact the following business:

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December, 2009 along with the reports of the Directors and Audit Committee thereon for the year 2009.
2. To declare a Dividend.
3. To re-elect Directors.
4. To re-appoint the Auditors.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To appoint members of the Audit Committee.

### PROXY

A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy for an organization may vote on a show of hands and on a poll. For the appointment to be valid, a completed proxy form must be deposited at the registered office of the Company or with the Registrar not later than 48 hours before the fixed time for the meeting.

### DIVIDEND

The Board recommends for the approval of shareholders a payment of 50 kobo per ordinary share of 50 kobo each, out of the profits declared in the financial year ended 31st December, 2009 and which will be subject to withholding tax at the appropriate rate.

### DIVIDEND WARRANTS

If approved, the dividend warrants will be posted on Monday, 4th October, 2010 to shareholders whose names appear in the Company Register of Members at the close of business on Tuesday, 31st August, 2010.

### NOTES

#### 1. CLOSURE OF REGISTER AND TRANSFER BOOKS

**NOTICE IS HEREBY GIVEN** that the Register of Members and Transfer Books of the Company will be closed from Wednesday, 1st September to Tuesday, 7th September, 2010 both days inclusive.

#### 2. AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act 1990, a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting. The Audit Committee comprises three shareholders and three Directors.

### BY ORDER OF THE BOARD

**A. A. SAMUEL**  
Company Secretary

Dated this 29th July, 2010.

**National Salt Company of Nig. Plc**  
Salt City  
Ijoko, Otta, Ogun State,  
Nigeria.



## Directors, Advisers and Other Corporate Information

### DIRECTORS

Alhaji Aliko Dangote	—	<i>Chairman</i>
Alhaji Sani Dangote	—	<i>Director</i>
Mr. Ade Adeniji	—	<i>Managing Director</i>
Mr. Suleiman Olarinde	—	<i>Director</i>
Mr. Olakunle Alake	—	<i>Director</i>
Mr. Knut Ulmvoen	—	<i>Director</i>
Chief C. Atoki	—	<i>Director</i>
Alhaji Abdu Dantata	—	<i>Director</i>
Alhaji M. S. Ladan-Baki	—	<i>Director</i>

### COMPANY SECRETARY

A. A. Samuel

### REGISTERED OFFICE

1, Alfred Rewane Road  
Falomo  
Ikoyi, Lagos

### REGISTRAR AND TRANSFER OFFICE

Afribank Registrars  
Plot 2A, Gbagada Express  
Anthony Village  
Lagos

### AUDITORS

Akintola Williams Deloitte  
(Chartered Accountants)  
235, Ikorodu Road  
Ilupeju, Lagos

### BANKERS

Intercontinental Bank Plc  
Oceanic Bank International Plc  
Access Bank Plc  
UBA Plc  
Fidelity Bank Plc  
Afribank Plc  
Equitorial Trust Bank Plc  
Zenith Bank Plc



## Financial Highlights

	2009 N'000	2008 N'000
<b>PROFIT AND LOSS</b>		
Turnover	8,767,353	7,888,276
Profit before taxation	2,712,448	1,897,617
Taxation	(870,102)	(599,324)
Profit after taxation transferred to revenue reserve	1,842,346	1,298,293
Proposed final dividend	1,324,719	1,059,775
<b>BALANCE SHEET</b>		
Share capital	1,324,719	1,324,719
Shareholders' funds	4,631,532	3,887,531
<b>Per 50 kobo share data (kobo)</b>		
Earnings	70.0	49.0
Dividend	50.0	40.0



## Chairman's Statement



**Alhaji Aliko Dangote (CON)**  
*Chairman*

*D*istinguished Fellow Shareholders, Colleagues on the Board, Gentlemen of the Press, Ladies and Gentlemen,

I welcome you all to the Annual General Meeting of our Company, National Salt Company of Nigeria Plc. This meeting once again affords me the pleasure and opportunity to present to you, the performance highlights of your Company for the concluded year along with the Global and National economic context in which we operated.

The year 2009 witnessed the continued impact of the global financial meltdown which occurred in the previous year. This was most visible in the Banking sector, which was virtually overwhelmed by a debt crisis and was further compounded by the Naira's devaluation. The immediate impact was low liquidity within the economy.

Moreover, the country's infrastructure saw little or no improvement while the power sector remained comatose in the face of rising fuel and diesel prices, which worsened the inflationary trends within the economy.

All these translated into rising cost of inputs in the face of diminished purchasing power experienced by the generality of Nigerians. The obvious effect on our business was diminished Customer liquidity and operational failures, which severely limited NASCON's market growth ambitions.

### 2009 PERFORMANCE

Distinguished Ladies and Gentlemen, the foregoing business challenges notwithstanding, your Company posted a turnover of ₦8.8b, reflecting a percentage growth

of 11% over the previous year. Profit before tax achieved was ₦2.7b, while our after tax profit was ₦1.8b, showing a 42% growth over the previous year.

This performance reflects the impact of measures and policies implemented to ensure continued growth and enhanced profitability regardless of the operating conditions. We are however committed to the improvement of this trend, and we shall work to ensure your Company continues to grow and remain competitive.

### DIVIDEND

In line with our practice to reward shareholders, and in consonance with the overall results, the Board has recommended for your consideration and approval at this meeting, the payment of a dividend of ₦1.325 billion, representing 50 kobo for every one ordinary share of 50k held, payable net of withholding taxes.

### 2010 AND BEYOND

Our prospects remain good for the year 2010, and we are committed to maintaining our leadership position in our industry regardless of the increased competition in the Salt and Tomato sub-sectors. As promised in previous years, we successfully completed the installations of our sachet producing line, which will enable an eventual transformation of our business model.

In addition, locally packed Dangote Tomato should become available before the end of year 2010. This will allow us to further entrench our position in the market as we deliver greater value to the consumer. We believe that the full benefit of all on-going investments will be reaped in years 2011 and beyond.

### THE BOARD

Since the last Annual General Meeting there has been no changes in your Board composition. However, the Directors retiring by rotation will offer themselves for re-election during the course of this meeting.

### HUMAN CAPITAL

Once again, we thank our staff for their continued unflinching commitment to the business as demonstrated in their hard work and loyalty. On our part, we will continue to expose them to further training and development opportunities and international best practice in order to maximise their potential.

### CONCLUSION

Our sincere appreciation goes to all shareholders, customers and other stakeholders for their continued patronage association and contributions. With your continued support, we look forward to more successful years ahead

I thank you for listening and may God continue to bless all of us.

**Alhaji Aliko Dangote (CON)**  
*Chairman*

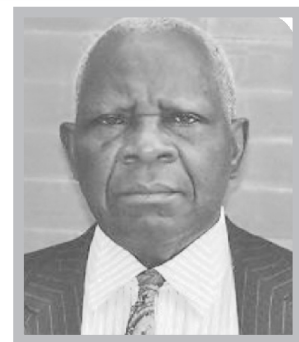
# BOARD OF DIRECTORS



**Alhaji Aliko Dangote (CON)**  
*Chairman*



**Mr. Ade Adeniji**  
*MD/CEO*



**Chief C. A. Atoki**  
*Director*



**Mr. Suleiman Olarinde**  
*Director*



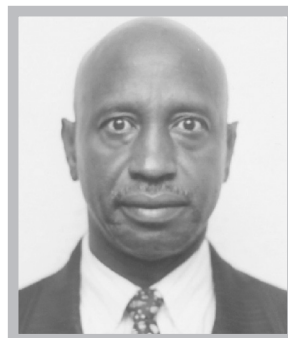
**Mr. Olakunle Alake**  
*Director*



**Alhaji Abdu Dantata**  
*Director*



**Alhaji Sani Dangote**  
*Director*



**Alhaji M.S. Ladan-Baki**  
*Director*



**Mr. Knut Ulmvoen**  
*Director*

## Report of the Directors

For the year ended 31 December 2009

### HISTORY OF SHARE CAPITAL

Years	Authorised Share Capital		Issued Share Capital		Remarks
	Units in 000s	N'000	Units in 000s	N'000	
1991	40,000	20,000	14,110	7,055	Right issues of 65,846,667 units
1992	40,000	20,000	14,110	7,055	
1993	40,000	20,000	14,110	7,055	
1994	40,000	20,000	14,110	7,055	
1995	80,000	40,000	14,110	7,055	
1996	80,000	40,000	79,956	39,978	
1997	200,000	100,000	79,956	39,978	
1998	200,000	100,000	79,956	39,978	
1999	200,000	100,000	79,956	39,978	
2000	200,000	100,000	79,956	39,978	
2001	200,000	100,000	79,956	39,978	
2002	200,000	100,000	79,956	39,978	
2003	200,000	100,000	79,956	39,978	
2004	200,000	100,000	79,956	39,978	
2005	200,000	100,000	79,956	39,978	
2006	4,000,000	2,000,000	79,956	39,978	Issue of shares from acquisition of Dangote Salt Ltd.
2007	4,000,000	2,000,000	2,207,865	1,103,932	
2008	4,000,000	2,000,000	2,649,438	1,324,719	Bonus issue of 441,573,063 units
2009	4,000,000	2,000,000	2,649,438	1,324,719	

### 6. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and Allied Matters Act, C20 Laws of the Federation of Nigeria 2004. In doing so, they ensure that:

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

### 7. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st December 2009, only Dangote Industries Limited with 1,647,763,557 ordinary shares of 50k each held more than 5% of the issued share capital of the Company.

### 8. FIXED ASSETS

Movements in fixed assets during the year are shown in Note 6 to the Accounts. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.



## Report of the Directors

For the year ended 31 December 2009

### HISTORY OF SHARE CAPITAL

Years	Authorised Share Capital		Issued Share Capital		Remarks
	Units in 000s	N'000	Units in 000s	N'000	
1991	40,000	20,000	14,110	7,055	Right issues of 65,846,667 units
1992	40,000	20,000	14,110	7,055	
1993	40,000	20,000	14,110	7,055	
1994	40,000	20,000	14,110	7,055	
1995	80,000	40,000	14,110	7,055	
1996	80,000	40,000	79,956	39,978	
1997	200,000	100,000	79,956	39,978	
1998	200,000	100,000	79,956	39,978	
1999	200,000	100,000	79,956	39,978	
2000	200,000	100,000	79,956	39,978	
2001	200,000	100,000	79,956	39,978	
2002	200,000	100,000	79,956	39,978	
2003	200,000	100,000	79,956	39,978	
2004	200,000	100,000	79,956	39,978	
2005	200,000	100,000	79,956	39,978	
2006	4,000,000	2,000,000	79,956	39,978	Issue of shares from acquisition of Dangote Salt Ltd.
2007	4,000,000	2,000,000	2,207,865	1,103,932	
2008	4,000,000	2,000,000	2,649,438	1,324,719	Bonus issue of 441,573,063 units
2009	4,000,000	2,000,000	2,649,438	1,324,719	

### 6. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and Allied Matters Act, C20 Laws of the Federation of Nigeria 2004. In doing so, they ensure that:

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

### 7. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st December 2009, only Dangote Industries Limited with 1,647,763,557 ordinary shares of 50k each held more than 5% of the issued share capital of the Company.

### 8. FIXED ASSETS

Movements in fixed assets during the year are shown in Note 6 to the Accounts. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

## Report of the Directors

For the year ended 31 December 2009

### 9. POST BALANCE SHEET EVENTS

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company as at 31st December, 2009 and the profit for the year ended on that date which have been adequately recognized.

### 10. COMPANY DISTRIBUTORS

The Company's products are distributed across the country.

### 11. SUPPLIERS

The Company obtains its materials at arm's length basis from overseas and local suppliers. Amongst its main overseas and local suppliers are SALINOR and GUISTI of Brazil as well as DANGOTE AGROSACKS LTD.

### 12. ANALYSIS OF SHAREHOLDINGS

Analysis of shareholdings as at 31st December, 2009:

Range	No. of Holders	Per cent	Units	Per cent
1 — 1,000	19,648	55.66	7,961,275	0.30
1,001 — 5,000	6,753	19.13	16,777,168	0.63
5,001 — 10,000	2,671	7.57	18,752,192	0.71
10,001 — 50,000	4552	12.90	96,173,490	3.63
50,001 — 100,000	778	2.20	56,118,922	2.12
100,001 — 500,000	698	1.98	141,179,493	5.33
500,001 — 1,000,000	87	0.25	61,193,641	2.31
1,000,001 — 10,000,000	89	0.25	227,007,478	8.57
10,000,001 — 100,000,000	10	0.03	376,511,162	14.21
100,000,001 — 2,000,000,000	1	0.03	1,647,763,557	62.19
Grand Total	35,298	100.00	2,649,438,378	100.00

### 13. HUMAN RESOURCES

#### 1. Employment and Employees

The Company reviews its employment policy in line with the needs of business. Careful recruitment remains our focus. Potential high performers are attracted and retained.

#### 2. Work Environment

The Company continuously strives to improve its operations to ensure a safe working environment. The Company also maintains a high standard of hygiene in all its premises through standard sanitation practices and the regular fumigation exercises which have been further strengthened by the installation of pest and rodent control gadgets. Safety and environment workshops have been organized for all employees with a broad focus on good house-keeping to ensure good and safe working environment.

#### 3. Employee Development

Local and overseas training and development programmers have been organized to meet the need of the Company's modernization and automation strategy implementation. The Company continues to place a premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition so as to sustain our strategic advantage over our competitors.



## Report of the Directors

For the year ended 31 December 2009

### 14. AUDITORS

Messrs Akintola Williams Deloitte (Chartered Accountants) have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria, 2004. A resolution will be proposed authorizing the Directors to fix their remuneration.

### BY ORDER OF THE BOARD

**A. A. Samuel**  
*Company Secretary*

**DANGOTE GROUP**  
1, Alfred Rewane Road  
Falomo  
Ikoyi — Lagos  
Nigeria.

13 August, 2010



## Corporate Governance Report

National Salt Company of Nig Plc is committed to best practice and procedures in corporate governance. Overseen by the Board of Directors, corporate governance practices are constantly under review, in line with the dynamics of the business environment.

The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the Company's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

The Board delegates the day-to-day running of the Company's affairs to the Managing Director/Chief Executive Officer supported in this task by an Executive Management Committee. The Board currently consists of 9 members, the Chairman, Managing Director, 7 non-Executive Directors.

### FREQUENCY OF MEETINGS

The Board of Directors holds several meetings a year, to consider important corporate events and actions such as approval of Corporate Strategy, Annual Corporate Plan, review of internal risk management and control systems, review performance and direct the affairs of the Company, its operations, finances and formulate growth strategies. It may however, convene a meeting if the need arises.

Attendance at Directors' meetings is impressive. In line with provisions of Section 258(2) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria 2004, the record of Directors attendance at Board meetings is available for inspection at the Annual General Meeting.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS

It is the responsibility of the Board of National Salt Company of Nig Plc to:

- Ensure that the Company's operations are conducted in a fair, honest and transparent manner that conforms to high ethical standards
- Ensure integrity of the Company's financial and internal control policies
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities (NSE, CAC, SEC) and shareholders
- Ensure value creation for shareholders, employees and other stakeholders
- Review and approve corporate policies, strategy, annual budget and business plan
- Monitor implementation of policies and the strategic direction of the Company
- Set performance objectives, monitor implementation and corporate performance
- Review and approve all major capital expenditure of the Company
- Ensure that the statutory rights of shareholders are protected at all times

### SUB-COMMITTEES OF THE BOARD OF DIRECTORS

The Board delegated some of its responsibilities to standing committees that consists of Executive and Non-Executive Directors. These are the Establishment and Finance Committees. The Committees report to the Board of Directors on their activities and decisions which are ratified by the full Board, at a meeting.

In compliance with the practices of good corporate governance, the Chairman of the Board is not a member of any of these committees.

#### The Finance Committee

The Committee is comprised of four Directors, with an independent Director as Chairman. The Committee members are:

Mr. Olakunle Alake	—	<i>Chairman</i>
Alhaji Abdu Dantata	—	<i>Member</i>
Alhaji M. S. Ladan-Baki	—	<i>Member</i>
Mr. Ade Adeniji	—	<i>Member</i>

## Corporate Governance Report

The Finance Committee was inaugurated towards the year end and held a meeting.

The Committee is responsible for:

- Assessment and monitoring of all risks associated with the operations of the Company.
- Development and monitoring of the implementation of Internal Control System by Management
- Assisting the Board in its responsibility relating to the oversight of the Company's financial credit and risk management policies and procedures.

### The Establishment Committee

Mr. C. A. Atoki	—	<i>Chairman</i>
Mr. Suleiman O. Olarinde	—	<i>Member</i>
Mr. Knut Ulvmoen	—	<i>Member</i>
Mr. Ade Adeniji	—	<i>Member</i>

The Committee is responsible for:

- Reviewing of the policy framework for employees' and remuneration issues
- Making recommendations to the Board on all new Board appointments

Apart from the Board Standing Committees' the Audit Committee also plays an important role in the Company.

### The Audit Committee

The Audit Committee is made up of six (6) members, three representatives of Shareholders and three members of the Board of Directors. Members of the Audit Committee are elected annually at General Meetings. The Committee in compliance to the requirement of corporate governance practice is chaired by a representative of the Shareholders. The Committee met three times within the year.

Members of the Committee are:

Chief Aderemi Oyepeju	—	<i>Chairman/Shareholder Representative</i>
Mr. J. S. Ajibola	—	<i>Shareholder Representative</i>
Mr. Metu Anyanaso	—	<i>Shareholder Representative</i>
Alhaji M. S. Ladan-Baki	—	<i>Director</i>
Alhaji Abdu Dantata	—	<i>Director</i>
Mr. Suleiman O. Olarinde	—	<i>Director</i>

The Committee is responsible for:

- Ensuring the independence and objectivity of the audit
- Reviewing the adequacy and effectiveness of NASCON PLC's internal control policies prior to endorsement by the Board
- Directing and supervising investigations into matters within its scope, such as evaluation of the effectiveness of NASCON PLC internal controls, business partner and client misconduct or conflict of interest.

In addition to the above stated responsibilities, the Committee carries out all such other functions as stipulated by the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria.

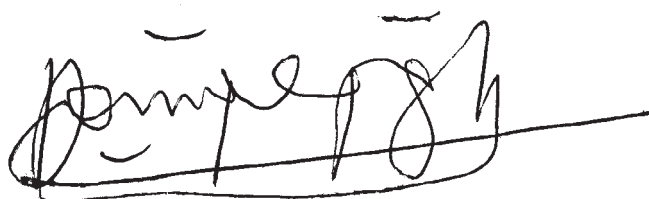


## Report of the Audit Committee

### TO THE MEMBERS OF NATIONAL SALT COMPANY OF NIG. PLC

In accordance with the provision of Section 359(6) of the Companies and Allied Matters Act, 1990, we have examined the Auditors' report for the year ended 31st December 2009. We have obtained all the information and explanations we required.

In our opinion, the Auditors' report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. Having reviewed the Auditors' findings and recommendations on Management matters, we are satisfied with Management's response therein.



**Chief Aderemi Oyepeju**  
*Chairman, Audit Committee*

Dated this 3rd day of August, 2010

### Members of the Committee

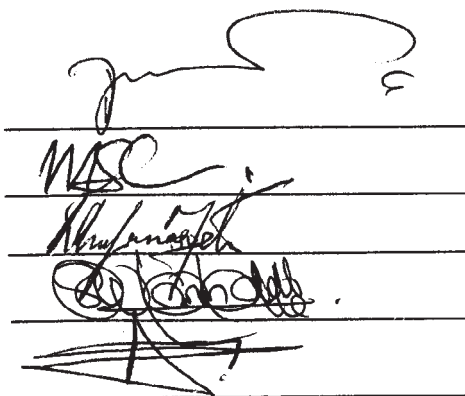
Mr. J. S. Ajibola

Alhaji M. S. Ladan Baki

Mr. Metu Richard Anyanaso

Mr. Suleiman Olarinde

Alhaji Abdu Dantata



## Independent Auditors' Report

### TO THE MEMBERS OF NATIONAL SALT COMPANY OF NIGERIA PLC

#### Report on the Financial Statements

We have audited the accompanying financial statements of **National Salt Company of Nigeria Plc**, set out on pages 15 to 28 which comprise the balance sheet as at 31 December 2009, the income statement, statement of cash flows, statement of value added for the year then ended, summary of the significant accounting policies, financial summary and other explanatory information.

#### Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

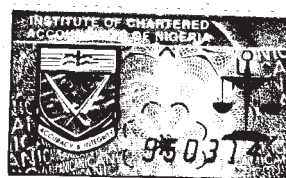
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **National Salt Company of Nigeria Plc** as at 31 December 2009, and of its financial performance and its cash flows for the year then ended; the Company has kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004, and, in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

*Akintola Williams Deloitte*

**Chartered Accountants**  
**Lagos, Nigeria**



**29 July 2010**

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see <http://www.deloitte.com/about> for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

Member of Deloitte Touche Tohmatsu

## Statement of Significant Accounting Policies

For the year ended 31 December 2009

The following are the summary of significant accounting policies which have been adopted by the Company in the preparation of its financial statements:

**1. Basis of accounting**

The financial statements are prepared on the historical cost basis, modified to include the revaluation of certain land and buildings. No adjustments have been made to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

**2. Turnover**

Turnover represents the net value of goods and services sold to third parties during the year less discounts.

**3. Fixed assets**

Fixed assets are stated at cost or valuation less accumulated depreciation.

**4. Depreciation**

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their expected useful lives. The principal annual rates used for this purpose are:

	%
Freehold buildings	— 2
Plant and machinery	— $6\frac{2}{3}$
Furniture and fittings	— 20
Motor vehicles	— 25
Tools and equipment	— 25
Computer equipment	— $33\frac{1}{3}$
Freehold land is not depreciated	

**5. Finance lease**

Assets under finance lease are included in the balance sheet at the net book value of the assets and the present value of the minimum lease payments. Depreciation is calculated using the rate applicable to other fixed assets in the same category.

**6. Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost of raw materials which comprises suppliers' invoice price and where appropriate freight and other charges incurred to bring the materials to their location and condition, is determined using standard cost, which approximates actual cost, on a FIFO basis. Finished goods which include direct labour and factory overheads, is valued at standard cost adjusted at year-end on an actual cost basis. Engineering and other spares are valued at invoice price only.

**7. Foreign currencies**

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities existing in foreign currencies are converted to Naira at the rates of exchange ruling at the balance sheet date. Gains or losses arising therefrom are included in the profit and loss account.

**8. Debtors**

Debtors are stated after specific provision for debts considered doubtful of recovery.

**9. Employees retirement benefit scheme**

The Company makes provision for retirement benefits in accordance with the Pension Reform Act of 2004. The contribution of the employer and employee is 7.5% of employee's relevant basic salary, transport and housing allowances. The Company's contribution is charged to the profit and loss account.

The Company also operates a gratuity scheme for its permanent Nigerian staff, the benefits under which are related to employees' length of service and remuneration. The provision for liability in respect thereof is made in full in the financial statements.

**10. Taxation**

Income and education taxes payable are provided on taxable and assessable profits respectively at the current statutory rate.

**11. Deferred taxation**

Deferred taxation is provided by the liability method which represents taxation at current rate on the difference between the net book values of fixed assets qualifying for capital allowances and their corresponding income tax values.

**12. Provision**

Provision is recognised when the Company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that an overflow of resources embodying economic benefits will be required to settle obligation and a reliable estimate can be made of the amount of the obligation in accordance with the Statement of Accounting Standard (SAS) 23.

**13. Segmental reporting**

The Company derives its revenue from two product lines: edible/industrial salt and petti tomato paste and the turnover, cost of sales and gross profit have been segmented along this line in accordance with the Statement of Accounting Standard (SAS) 24.



## Profit and Loss Account

For the year ended 31 December 2009

	Note	2009 N'000	2008 N'000
Turnover	2	8,767,353	7,888,276
Cost of sales		(5,441,694)	(5,437,607)
Gross profit		3,325,659	2,450,669
Administrative expenses		(898,762)	(839,830)
Other operating income	4	23,822	7,671
Interest receivable and similar income	5	266,420	286,661
Operating profit	6	2,717,139	1,905,171
Interest payable and similar charges		(4,691)	(7,554)
Profit before taxation		2,712,448	1,897,617
Taxation	7	(870,102)	(599,324)
Profit after taxation transferred to revenue reserve	19	<u>1,842,346</u>	<u>1,298,293</u>
<b>Per share data (kobo)</b>			
Earnings — Basic		<u>70</u>	<u>49</u>


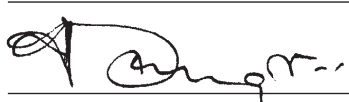
The accounting policies on page 15 and the explanatory notes on pages 19 to 26 form part of these financial statements.

## Balance Sheet

As at 31 December 2009

	Note	2009 N'000	2008 N'000
<b>FIXED ASSETS</b>	8	2,907,900	1,937,810
<b>CURRENT ASSETS</b>			
Stocks	10	883,229	728,030
Trade debtors	11	1,285,669	1,220,531
Other debtors and prepayments	12	676,257	109,327
Due from holding company	26.1	—	594,439
Due from other related parties	26.3	45	41,231
Short-term investment	9	1,642,051	1,621,989
Cash and bank balances	21	759,856	1,394,748
		<u>5,247,107</u>	<u>5,710,295</u>
<b>CREDITORS: Amounts falling due within one year</b>			
Bank overdrafts	21	8,528	29,358
Trade creditors		179,751	1,414,710
Other creditors and accruals	13	692,355	1,197,033
Taxation	7	764,613	469,638
Due to holding company	26.2	1,143,697	164,263
Due to other related parties	26.4	11,863	6,358
		<u>2,800,807</u>	<u>3,281,360</u>
<b>NET CURRENT ASSETS</b>		<u>2,446,300</u>	<u>2,428,935</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,354,200	4,366,745
Deferred taxation	14	(458,437)	(305,679)
<b>CREDITORS: Amounts falling due after one year</b>			
Debenture loan	18	(38,570)	(38,570)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Staff gratuity	15	(225,661)	(173,535)
		<u><b>4,631,532</b></u>	<u><b>3,848,961</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	1,324,719	1,324,719
Share premium	17	434,037	434,037
Revaluation reserve		149,450	149,450
Revenue reserve	19	2,723,326	1,940,755
<b>SHAREHOLDERS' FUNDS</b>		<u><b>4,631,532</b></u>	<u><b>3,848,961</b></u>

The financial statements on pages 15 to 28 were approved by the Board of Directors on 29 July 2010 and signed on its behalf by:

  

} *Directors*

The accounting policies on page 15 and the explanatory notes on pages 19 to 26 form part of these financial statements.





## Statement of Cash Flows

For the year ended 31 December 2009

	Note	2009 N'000	2008 N'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		8,411,091	8,058,800
Cash paid to suppliers and employees		(6,496,103)	(6,087,219)
VAT paid		(3,389)	(286)
Cash generated from operations		1,911,599	1,971,295
Tax paid	7	(422,369)	(316,465)
<b>Net cash provided by operating activities</b>	20	<u>1,489,230</u>	<u>1,654,830</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	8	(1,285,184)	(673,214)
Proceed from sale of fixed assets		—	3,765
(Decrease)/increase in investment		(20,062)	265,652
Interest received	5	266,420	286,661
<b>Net cash provided by investing activities</b>		<u>(1,038,826)</u>	<u>(117,136)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(4,691)	(7,554)
Dividend paid	19	(1,059,775)	(883,146)
<b>Net cash provided by financing activities</b>		<u>(1,064,466)</u>	<u>(890,700)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(614,062)	646,994
<b>Cash and cash equivalents at 1 January</b>		1,365,390	718,396
<b>Cash and cash equivalents at 31 December</b>	21	<u><u>751,328</u></u>	<u><u>1,365,390</u></u>



# Notes to the Financial Statements

For the year ended 31 December 2009

## 1. THE COMPANY

### 1.1 Legal form

National Salt Company of Nigeria Plc was incorporated in Nigeria as a limited liability company on 30 April 1973. It was fully privatized in April, 1982 and became listed on the Nigerian Stock Exchange on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional NASCON shares as purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns about 62% of the issued share capital.

### 1.2 Principal activities

The Company is engaged in the refining and marketing of salt of different grades; kitchen, table and industrial as well as the importation and sale of Petti tomato paste.

## 2. TURNOVER

Analysis of turnover by products is as follows:

Edible/industrial salt

Petti tomato paste

**2009**  
**N'000**

**2008**  
**N'000**

8,533,696

7,519,235

233,657

369,041

**8,767,353**

**7,888,276**

## 3. SEGMENT REPORTING

### 3.1 Edible/industrial salt

Revenue

Cost of sales

Gross profit

8,533,696

7,519,235

(5,135,930)

(5,126,990)

**3,397,766**

**2,392,245**

### 3.2 Petti tomato paste

Revenue

Cost of sales

Gross profit

233,657

369,041

(220,143)

(310,617)

**13,514**

**58,424**

## 4. OTHER OPERATING INCOME

Sundry income

Other income

12,658

7,238

11,164

433

**23,822**

**7,671**

## 5. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest income on operating accounts

Interest income on fixed deposits

Interest income on commercial papers due from holding company

90

43

77,509

57,941

188,821

228,677

**266,420**

**286,661**



## Notes to the Financial Statements

For the year ended 31 December 2009

	2009 N'000	2008 N'000
<b>6. PROFIT BEFORE TAXATION</b>		
This is arrived at after charging/(crediting):		
Directors' emoluments (Note 22)	23,123	16,444
Depreciation of fixed assets	257,393	119,732
Provision for doubtful debts	191,682	129,665
Interest income	(266,420)	(286,661)
Profit on sale of fixed assets	—	(433)
Audit fee	8,400	8,000
Exchange loss	—	164,468
Management fee (Note 25)	180,104	158,091
	<u>          </u>	<u>          </u>
<b>7. TAXATION</b>		
<b>7.1 Per profit and loss account</b>		
Income tax based on profit for the year	655,970	428,546
Education tax	60,809	41,092
Penalty for late returns	565	686
	<u>717,344</u>	<u>470,324</u>
Deferred tax (Note 14)	152,758	129,000
	<u>870,102</u>	<u>599,324</u>
<b>7.2 Per balance sheet</b>		
At 1 January	469,638	315,779
Charge for the year	717,344	470,324
Payment during the year	(422,369)	(316,465)
At 31 December	<u><b>764,613</b></u>	<u><b>469,638</b></u>

The charge for income tax has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date and the Education Tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.

## Notes to the Financial Statements

For the year ended 31 December 2009

### 8. FIXED ASSETS

	Freehold Land and Buildings N'000	Motor Vehicles N'000	Furniture and Fittings N'000	Plant and Machinery N'000	Tools and Equipment N'000	Computer Equipment N'000	Work-in- Progress N'000	Total N'000
<b>Cost/valuation</b>								
At 1 January 2009	353,094	309,477	32,025	1,292,810	16,509	19,772	308,406	2,332,093
Additions	—	533,992	864	5,958	263	—	744,107	1,285,184
Transfer (Note 8.2)	24,225	9,699	3,553	451,656	3,703	1,754	(494,590)	—
Disposals	—	—	—	—	—	—	(37,423)	(37,423)
Adjustments	—	(10,190)	—	—	—	—	(11,104)	(21,294)
At 31 December 2009	<u>377,319</u>	<u>842,978</u>	<u>36,442</u>	<u>1,750,424</u>	<u>20,475</u>	<u>21,526</u>	<u>509,396</u>	<u>3,558,560</u>
<b>Depreciation</b>								
At 1 January 2009	53,322	54,425	15,287	240,154	15,562	15,533	—	394,283
Charge for the year	7,165	143,193	6,720	94,754	1,226	4,335	—	257,393
Disposals	—	—	—	—	—	—	—	—
Adjustments	—	(1,016)	—	—	—	—	—	(1,016)
At 31 December 2009	<u>60,487</u>	<u>196,602</u>	<u>22,007</u>	<u>334,908</u>	<u>16,788</u>	<u>19,868</u>	<u>—</u>	<u>650,660</u>
<b>Net book value</b>								
At 31 December 2009	<u><b>316,832</b></u>	<u><b>646,376</b></u>	<u><b>14,435</b></u>	<u><b>1,415,516</b></u>	<u><b>3,687</b></u>	<u><b>1,658</b></u>	<u><b>509,396</b></u>	<u><b>2,907,900</b></u>
At 31 December 2008	<u>299,772</u>	<u>255,052</u>	<u>16,738</u>	<u>1,052,656</u>	<u>947</u>	<u>4,239</u>	<u>308,406</u>	<u>1,937,810</u>

8.1 The fixed assets were revalued by Messrs Alagbe and Partners, professional valuers in July 2002 based on replacement cost approach. The revaluation was incorporated into these financial statements and the surplus arising therefrom was taken to revaluation reserve.

8.2 The transfer relates to capital work-in-progress which was completed.

8.3 Work-in-progress comprises payments for business expansions.



## Notes to the Financial Statements

For the year ended 31 December 2009

	2009 N'000	2008 N'000
<b>9. SHORT-TERM INVESTMENT</b>		
Commercial papers	<u>1,642,051</u>	<u>1,621,989</u>
This amount represents 12.5% promissory note issued by Dangote Industries Limited for a period of 184 days effective 30 June 2009. Subsequently, this was rolled over on 1st January 2010.		
	2009 N'000	2008 N'000
<b>10. STOCKS</b>		
Raw materials	326,542	565,912
Finished goods	410,165	26,911
Engineering spares and other stocks	146,522	135,207
	<u>883,229</u>	<u>728,030</u>
<b>11. TRADE DEBTORS</b>		
Trade debtors	1,847,211	1,590,391
Provision for doubtful debts	(561,542)	(369,860)
	<u>1,285,669</u>	<u>1,220,531</u>
<b>12. OTHER DEBTORS AND PREPAYMENTS</b>		
Prepayments	32,279	23,604
Staff loan and advances	61,003	48,071
Other debit balances	603,727	58,404
	697,009	130,079
Provision for other debit balances	(20,752)	(20,752)
	<u>676,257</u>	<u>109,327</u>
<b>13. OTHER CREDITORS</b>		
Accrued expenses	259,603	301,824
Deposit from customers	299,373	707,948
Other creditors	133,379	187,261
	<u>692,355</u>	<u>1,197,033</u>
<b>14. DEFERRED TAXATION</b>		
At 1 January		
Charge for the year (Note 7.1)	305,679	176,679
	152,758	129,000
At 31 December	<u>458,437</u>	<u>305,679</u>





## Notes to the Financial Statements

For the year ended 31 December 2009

	2009 N'000	2008 N'000
<b>15. STAFF GRATUITY</b>		
At 1 January	173,535	136,309
Charge for the year	63,149	52,300
Payments during the year	(11,023)	(15,074)
At 31 December	<u>225,661</u>	<u>173,535</u>
<b>16. SHARE CAPITAL</b>		
<b>16.1 Authorised</b>		
4,000,000,000 ordinary shares of 50k	<u>2,000,000</u>	<u>2,000,000</u>
<b>Issued and fully paid</b>		
At 1 January	1,324,719	1,103,932
Bonus issue (Note 16.2)	—	220,787
At 31 December	<u>1,324,719</u>	<u>1,324,719</u>
2,649,438,378 ordinary shares of 50k each.		
<b>16.2 Bonus issue</b>		
At the annual general meeting held on 10 July 2008, the shareholders approved the sum of N220,786,532 to be capitalised from the profit after tax declared on the financial year ended 31 December 2007 and be distributed as bonus issue amongst the members whose names appear in the register of shareholders as at 27 June 2008 in the proportion of 1 for every 5 ordinary shares held by them.		
	2009 N'000	2008 N'000
<b>17. SHARE PREMIUM</b>		
At 31 December	<u>434,037</u>	<u>434,037</u>
<b>18. DEBENTURE LOAN</b>	<u>38,570</u>	<u>38,570</u>

At the time of privatization in 1992, the debt owed the Federal Government of Nigeria by the Company was restructured by the Bureau for Public Enterprise into a debenture loan repayable in approximately twenty equal half yearly instalments commencing from 1st June, 1991. The interest rate is 1% above the minimum rediscount rate and payable half yearly. The repayment schedule has not been complied with over the years. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria.

## Notes to the Financial Statements

For the year ended 31 December 2009

	2009 N'000	2008 N'000
<b>19. REVENUE RESERVE</b>		
At 1 January	1,940,755	1,746,395
Bonus issue (Note 16.2)	—	(220,787)
Dividend paid	(1,059,775)	(883,146)
Transfer from profit and loss account	1,842,346	1,298,293
At 31 December	<u>2,723,326</u>	<u>1,940,755</u>

At the annual general meeting held on 29 September 2009, the shareholders unanimously approved the payment of final dividend of 40 kobo per ordinary share of 50 kobo each out of the profit declared on the financial year ended 31 December 2008. The cash dividend was paid during the year. In respect of the current year, the Directors propose that a dividend of 50 kobo per share will be paid to the shareholders. The dividend of ₦1,324,719,189 is subject to approval by the shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as liability in these financial statements.

	2009 N'000	2008 N'000
<b>20. RECONCILIATION OF PROFIT AFTER TAXATION TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Profit after taxation	1,842,346	1,298,293
Adjustments to reconcile net income to net cash provided:		
Depreciation	257,393	119,732
Adjustment to fixed assets	57,700	28,860
Profit from sale of fixed assets	—	(433)
Interest received	(266,420)	(286,661)
Interest paid	4,691	7,554
<b>Changes in assets and liabilities</b>		
Increase in stocks	(155,199)	(254,604)
Increase in trade debtors	(65,138)	(28,894)
Increase in other debtors and prepayments	(566,930)	(48,837)
Decrease/(increase) in amount due from holding company	594,439	(430,176)
Decrease in amount due from other related parties	41,186	293,725
(Decrease)/increase in trade creditors	(1,234,959)	1,129,592
(Decrease)/increase in other creditors and accruals	(504,678)	10,672
Increase/(decrease) in amount due to holding company	979,434	(510,436)
Increase in amount due to other related parties	5,505	6,358
Increase in taxation	294,975	153,859
Increase in deferred taxation	152,758	129,000
Increase in staff gratuity	52,126	37,226
Total adjustments	(353,116)	356,537
Net cash provided by operating activities	<u>1,489,230</u>	<u>1,654,830</u>
<b>21. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	759,856	1,394,748
Bank overdrafts	(8,528)	(29,358)
	<u>751,328</u>	<u>1,365,390</u>

## Notes to the Financial Statements

For the year ended 31 December 2009

### 22. DIRECTORS

Directors' emoluments comprise:

Fees

Others

1. Highest paid Director

### 23. EMPLOYEES

The number of employees with gross emoluments within the bands stated below are:

N'000		N'000
0	—	200
200	—	400
401	—	600
601	—	800
801	—	1,000
1,001	—	2,000
2,000 and above		

Average number of persons in the Company's employment in the financial year were as follows:

Managerial

Senior staff

Junior staff

Salaries, allowances and other benefits

Gratuity

2009 N'000	2008 N'000
—	1,640
23,123	14,804
<b>23,123</b>	<b>16,444</b>
<b>22,013</b>	<b>14,804</b>
Number	Number
—	—
366	260
120	115
54	56
13	19
42	44
17	15
<b>612</b>	<b>509</b>
34	21
75	92
503	396
<b>612</b>	<b>509</b>
N'000	N'000
702,855	542,454
13,988	52,300
<b>716,843</b>	<b>594,754</b>

### 24. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

- The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs, have been taken into account in the preparation of these financial statements.
- There were no contingent liabilities in respect of litigation against the Company.

## Notes to the Financial Statements

For the year ended 31 December 2009

### 25. MANAGEMENT AGREEMENT

National Salt Company of Nigeria Plc entered into management and technical service agreement dated 1 January 2007 with Dangote Industries Limited (D.I.L.). The agreement is for an initial period of five years with an option to renew for a further period of five years subject to termination by either party in accordance with the terms of agreement. As consideration for the services provided by D.I.L., a sum equivalent to 2% of the net revenue from its sales for each month will be paid to D.I.L.

### 26. RELATED PARTY TRANSACTIONS

#### .1 Amount due from holding company

Dangote Industries Limited:

— Current account

2009  
N'000

2008  
N'000

—

594,439

—

594,439

#### .2 Amount due to holding company

Dangote Industries Limited:

— Current account

— Truck financing scheme (Note 26.5)

325,882

—

817,815

164,263

1,143,697

164,263

#### .3 Amount due from other related parties

Dangote Sugar Refineries Plc

45

35,699

Dangote Flour Mills Plc

—

5,532

Dangote Pasta Limited

—

—

45

41,231

#### .4 Amount due to other related parties

Dangote Pasta Limited

—

1,025

Dangote Sugar Refineries Plc

1,458

—

Dangote Flour Mills Plc

280

—

Obajana Cement Plc

10,125

5,333

11,863

6,358

.5 In October 2008, the Company entered into a 'Truck Financing' scheme with Dangote Industries Limited (D.I.L.), whereby D.I.L. agreed to finance the acquisition of trucks for the exclusive use in the distribution of the Company's products. The scheme is repayable over 24 months from the date of transaction.

.6 Other related party transactions were carried out on commercial terms and conditions.

### 27. POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have had material effect on the state of affairs of the Company at 31 December, 2009 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

### 28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to reflect proper disclosure and uniformity.



## Value Added Statement

For the year ended 31 December 2009

	2009		2008	
	N'000	%	N'000	%
Turnover	8,767,353		7,888,276	
Other income	23,822		7,671	
	<u>8,791,175</u>		<u>7,895,947</u>	
Less: Bought in materials and services:				
— Imported	(4,426,683)		(4,326,683)	
— Local	(673,117)		(949,607)	
<b>VALUE ADDED</b>	<b><u>3,691,375</u></b>	<b><u>100</u></b>	<b><u>2,619,657</u></b>	<b><u>100</u></b>
<b>APPLIED AS FOLLOWS:</b>				
<b>To pay employees:</b>				
Salaries, wages and other benefits	716,843	19	594,754	22
<b>To pay government:</b>				
Income tax	717,344	20	470,324	18
<b>To pay providers of capital:</b>				
Interest on loans, overdraft, etc	4,691	—	7,554	—
<b>To provide for replacement of assets and development:</b>				
Deferred tax	152,758	4	129,000	5
Depreciation	257,393	7	119,732	5
Profit and loss account	1,842,346	50	1,298,293	50
	<b><u>3,691,375</u></b>	<b><u>100</u></b>	<b><u>2,619,657</u></b>	<b><u>100</u></b>

Value added represents the additional wealth the Company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth between employees, capital providers, government and that retained for future creation of more wealth.



## Five-Year Financial Summary

31 DECEMBER	2009 N'000	2008 N'000	2007 N'000	2006 N'000	2005 N'000
<b>ASSETS EMPLOYED</b>					
Fixed assets	2,907,900	1,937,810	1,416,520	59,699	65,786
Patent and trademark	—	—	—	1	1
Deferred charges	—	—	—	157,058	—
Net current assets/(liabilities)	2,446,300	2,428,935	2,368,852	(214,842)	(51,720)
Deferred taxation	(458,437)	(305,679)	(176,679)	—	—
Debenture loan	(38,570)	(38,570)	(38,570)	(38,570)	(38,570)
Provision for liabilities and charges	(225,661)	(173,535)	(136,309)	(2,779)	—
	<b>4,631,532</b>	<b>3,848,961</b>	<b>3,433,814</b>	<b>(39,433)</b>	<b>(24,503)</b>
<b>FINANCED BY</b>					
Share capital	1,324,719	1,324,719	1,103,932	39,978	39,978
Share premium	434,037	434,037	434,037	186,793	186,793
Revaluation reserve	149,450	149,450	149,450	149,450	149,450
Revenue reserve	2,723,326	1,940,755	1,746,395	(415,654)	(400,724)
	<b>4,631,532</b>	<b>3,848,961</b>	<b>3,433,814</b>	<b>(39,433)</b>	<b>(24,503)</b>
<b>TURNOVER, PROFIT AND TAXATION</b>					
Turnover	<b>8,767,353</b>	<b>7,888,276</b>	<b>6,252,575</b>	<b>13,437</b>	<b>6,277</b>
Profit/(loss) before taxation	2,712,448	1,897,617	1,752,331	(14,930)	(11,549)
Taxation	(870,102)	(599,324)	(492,458)	—	—
Profit/(loss) after taxation	<b>1,842,346</b>	<b>1,298,293</b>	<b>1,259,873</b>	<b>(14,930)</b>	<b>(11,549)</b>
<b>Per share data (kobo)</b>					
Earnings/(loss) — Basic	70	49	57	(19)	(14)
Earnings/(loss) — Diluted	70	49	48	(1)	(1)
Net assets	175	147	157	(49)	(31)

Earnings/(loss) per share are based on the profit/(loss) after taxation and the number of issued and fully paid ordinary shares as at the end of each financial year.

Net assets/(liabilities) per share are based on the net assets/(liabilities) and the number of issued and fully paid ordinary shares at the end of each financial year.

## E-DIVIDEND MANDATE

The Registrar,  
**AFRIBANK REGISTRARS LTD.**  
2A, GBAGADA EXPRESSWAY,  
ANTHONY VILLAGE, LAGOS.  
Tel: 01-2799133-4, 7735963, 7735967  
Fax: 01-2799132  
P.M.B. 12974, LAGOS.  
Website: www.afribankregistrars.com  
E-mails: info@afribankregistrars.com  
customercare@afribankregistrars.com

### ABUJA BRANCH OFFICE

Afribank House  
3, Kaura Namoda Street,  
Off Tafawa Balewa Way  
Area 3, Garki  
Abuja F.C.T.  
Tel: 09-8700937, 8700074  
Abuja E-mail: abuja@afribankregistrars.com



Dear Sir,

I/We hereby request that all dividend(s) due to me/us from my/our holding in the under-listed Company(ies) be paid directly to my/our Bank named below:

NAME OF BANK  BRANCH

BANK ADDRESS

BANK ACCOUNT NO.

SHAREHOLDER'S FULL NAME    
SURNAME TITLE

OTHER NAMES

FULL ADDRESS

CSCS NO.  CHN NO.

BROKER'S NAME

MOBILE (GSM) NO.  LAND LINE

E-MAIL  FAX

SHAREHOLDER'S SIGNATURE(S)/COY SEAL BANK'S AUTHORIZED SIGNATURE/STAMP

1

1

2

2

PLEASE TICK AS APPLICABLE

Afribank Nig. Plc	<input type="checkbox"/>
African Alliance Insurance Plc	<input type="checkbox"/>
African Petroleum Plc	<input type="checkbox"/>
Benue Cement Company Plc	<input type="checkbox"/>
Lasaco Assurance Plc	<input type="checkbox"/>
May & Baker Nigeria Plc	<input type="checkbox"/>
Multiverse Resources Plc	<input type="checkbox"/>

PLEASE TICK AS APPLICABLE

National Salt Company of Nig. Plc	<input type="checkbox"/>
Niger Insurance Plc	<input type="checkbox"/>
Nigerian Ropes Plc	<input type="checkbox"/>
Omatek Ventures Plc	<input type="checkbox"/>
Transnational Corporation of Nig. Plc	<input type="checkbox"/>
Udeofson Garment Factory Nig. Plc	<input type="checkbox"/>
Universal Insurance Company Plc	<input type="checkbox"/>

# Proxy Form

**NATIONAL SALT COMPANY OF NIG. PLC**  
**2009 ANNUAL GENERAL MEETING TO BE HELD**  
**AT 12 NOON ON THURSDAY, 16TH SEPTEMBER, 2010**  
**AT TAHIR HOTEL, KANO.**



I/We\* .....  
 of .....  
 being a member/member(s) of National Salt Company of Nig. Plc

hereby appoint .....  
 .....

of .....  
 or failing him, the Chairman of the meeting, as my/our proxy to act and vote for me/us and on my/our behalf at the 2009 Annual General Meeting of the Company to be held at 12 noon on Thursday, 16th September, 2010 and at any adjournment thereof.

Dated this ..... day of ....., 2010

Signature .....

## NOTES

1. Please sign this proxy card and post it to reach the registered office of the Company not less than 48 hours before the time for holding the meeting.
2. If executed by a corporation, the proxy card should be sealed with the common seal.
3. This proxy card will be used both by show of hands and in the event of a poll being directed or demanded.
4. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders should be shown.

RESOLUTION	FOR	AGAINST
1. To receive and consider the Accounts for the year ended 31st December 2009 and the Reports of the Directors, Auditors and Audit Committee thereon.		
2. To declare a dividend		
3. To re-elect Directors		
4. To re-appoint the Auditors		
5. To authorize the Directors to fix Auditors' remuneration		
6. To appoint members of the Audit Committee		
Please indicate with an "X" in the appropriate square how you wish your votes to be cast on resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her own discretion.		



*Before posting the above form, please tear off this part and retain it for admission to the meeting.*

## Admission Card

**NATIONAL SALT COMPANY OF NIG. PLC**  
**2009 ANNUAL GENERAL MEETING TO BE HELD AT 12 NOON**  
**ON THURSDAY, 16TH SEPTEMBER, 2010 AT TAHIR HOTEL, KANO.**

Name of Shareholder\* .....

### IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend Annual General Meeting is allowed by law to vote by proxy. A proxy need not be a member of the Company. The above proxy card has been prepared to enable you exercise your right to vote if you cannot personally attend.

### No. of Shares

### Name and Address of Shareholders

### IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission card where marked \*.

### **The Registrars**

Afribank Registrars  
Plot 2A, Gbagada Expressway  
Anthony Village  
Lagos



**NATIONAL SALT COMPANY OF NIG. PLC.**  
RC. 11364