



NATIONAL SALT COMPANY OF NIG. PLC.
RC 11384

2014

Annual Report & Accounts



Vision

*To be a world class enterprise that
is passionate about the quality of
life of the general populace and
giving high returns to stakeholders.*

Mission

*Touch the lives of people by
providing their basic needs.*

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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 2014 will hold at the Agip Recital Hall, Muson Centre, Onikan, Lagos on Wednesday, the 10th day of June, 2015 at 11.00 a.m. prompt to transact the following business:

ORDINARY BUSINESS

1. To lay before the members the Audited Financial Statements for the year ended 31st December 2014 along with the reports of the Directors, the report of the independent Auditors and the report of the Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect Directors retiring by rotation and also in accordance with section 249(2) of the Companies and Allied Matters Act approve Mr. Paul Farrer who was appointed as a Director since the last Annual General Meeting.
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.

SPECIAL BUSINESS

7. To determine the remuneration of the Directors for the year ending 31st December 2015.

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/her. 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 time fixed for the meeting.

DIVIDEND

The Board recommends for the approval of shareholders a payment of 50 kobo dividend per ordinary share of 50 kobo each out of the profits declared in the financial year ended 31st December, 2014 and which will be subject to withholding tax at the appropriate rate.

DIVIDEND WARRANTS

If approved, the dividend warrants will be posted on Friday the 12th day of June, 2015 to shareholders whose names appear in the Company Register of Members at the close of business on Friday the 22nd day of May 2015.

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 Monday the 25th Day of May, 2015 to Tuesday the 26th Day of May, 2015.

2. AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act CAP C20 LFN 2004, 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 two shareholders and two Directors.

BY ORDER OF THE BOARD



A. A. SAMUEL

Company Secretary/Legal Adviser

Dated this 4th day of May, 2015.

National Salt Company of Nigeria Plc

Dangote Group
Union Marble House,
1, Alfred Rewane Road
Falomo, Ikoyi,
Lagos, Nigeria.

Directors, Officers and Professional Advisers

DIRECTORS

Alhaji Aliko Dangote (GCON)	—	<i>Chairman</i>
Alhaji Sani Dangote	—	<i>Director</i>
Halima Aliko Dangote	—	<i>Director</i>
Mr. Paul Farrer	—	<i>Managing Director</i>
Mr. Suleiman Olarinde	—	<i>Director</i>
Mr. Olakunle Alake	—	<i>Director</i>
Mr. Knut Ulmvoen	—	<i>Director</i>
Alhaji Abdu Dantata	—	<i>Director</i>
Alhaji M. S. Ladan-Baki	—	<i>Director</i>

COMPANY SECRETARY

Adedayo A. Samuel

REGISTERED OFFICE

Salt City
Ijoko-Ota
Ogun State

REGISTRAR AND TRANSFER OFFICE

Meristem Registrars Ltd.
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos
Tel: 01-8920491-2
01-2809250-3
E-mail: info@meristemregistrars.com

AUDITORS

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

BANKERS

Ecobank Plc
Access Bank Plc
UBA Plc
Fidelity Bank Plc
Mainstreet Bank Ltd.
Sterling Bank Plc
Zenith Bank Plc
GTBank Plc
Jaiz Bank

Result at a Glance

	2014 N'000	2013 N'000
PROFIT AND LOSS		
Revenue	11,250,544	10,837,261
Profit before taxation	2,856,399	4,038,405
Taxation	(989,361)	(1,338,863)
Profit after taxation transferred to revenue reserve	1,867,038	2,699,542
Proposed final dividend	1,324,719	2,384,495
BALANCE SHEET		
Share capital	1,324,719	1,324,719
Shareholders' funds	6,307,306	6,892,626
Per 50 kobo share data (kobo)		
Earnings	70	102
Dividend	50	90

Chairman's Statement



Alhaji Aliko Dangote (GCON)
Chairman

*F*ellow Shareholders
My Colleagues on the Board
Members of the Audit Committee
Representatives of the SEC, NSE, CAC
and other regulators here present
Invited guests
Gentlemen of the Press
Distinguished Ladies and Gentlemen,

It is with great pleasure that I welcome you to the 2014 Annual General Meeting of our Company, National Salt Company of Nigeria Plc. I am happy to present to you the Annual Report and Financial Statements for the year ended 31st December, 2014.

Before we review the details of last year's performance, allow me to provide you with a brief overview of the operating environment that influenced our performance in the year under review.

2014 PERFORMANCE

The global financial system generally continued to exhibit signs of deep stress with the experience of lower or no growth than in prior years. This condition disrupted Nigeria's economy and adversely affected the Company's operations, financial condition and prospects.

We continued to face the usual challenges of the Nigerian business environment, Energy in particular and other issues such as poor infrastructures,

uncoordinated tax administration, amongst others, which played no mean roles in preventing the manufacturing sector in the country from reaching its full potential and NASCON was no exception.

However, your Board and Management have tried as much as possible to overcome these difficulties and are therefore able to present the following results for year 2014 operations.

Ladies and Gentlemen, our Company posted a turnover of ₦11.2b, reflecting a 4% increase on the 2013 turnover of ₦10.8b. We recorded an operating profit before tax of ₦2.8b, while our profit after tax was ₦1.8b. This performance reflects the impact of the operating environment on our operational costs and our response by way of measures and policies put in place to ensure our continued profitability.

We are however committed to the continued growth of the business and we are implementing policies that will ensure your Company remains competitive so as to deliver sustainable returns to all shareholders.

NEW PRODUCT LINE

As promised at the 2013 Annual General Meeting last year, I am happy to announce to you that our Company has already launched the DANQ Seasoning in year 2014 and it's heartwarming that the product is acceptable to the market. Efforts are also in top gear to ensure that the other new products, Tomato paste and Vegetable oil are completed as soon as possible and launched for entry into the respective markets. The technical hitches militating against the early completion of the two new projects have been surmounted.

You will recall also that at the same Annual General Meeting last year, all shareholders unanimously approved the change of name of the Company from National Salt Company of Nigeria Plc. (a name that only reflects the Company as engaging in a mono product "salt") to a more appropriate name that would reflect the current investments and new operational status of the Company as a manufacturer of other related consumer and daily need products.

I am delighted to inform you that the appropriate authority, the Corporate Affairs Commission has finally approved the registration of the new name 'NASCON ALLIED INDUSTRIES Plc.' as your new Company name.

DIVIDEND

In line with our practice of rewarding our shareholders, the Board has recommended for your consideration and approval at this meeting, the payment of a dividend of ₦1.32 billion, representing 50 kobo for every 50 kobo ordinary share held.

2015 PROSPECTS

I am happy to say that our prospects for 2015 remain excellent and I wish to assure you that our commitment to maintaining our leadership position in the Salt Industry remains the same, regardless of the increasing and stiff competition within the sub-sector.

We shall continue to be committed to improving our upward trend, and we will ensure your Company continues to grow and remain competitive so as to deliver increasing dividends to all stakeholders.

As said earlier, we have almost completed the installation of our Vegetable Oil Refinery and the Tomato paste packing machines at our site in Ota and we expect that these products will be in the market by year 2015. This is in line with our vision of becoming a frontline food business in Nigeria.

THE BOARD

Since the last Annual General Meeting, the Board considered and appointed Mr. Paul Farrer as a Director of the Company and equally appointed him as the Managing Director of the Company. Mr. Farrer came with a robust experience in the food distribution industry and his background and proven ability will strengthen the Company and elevate it to a greater height. He was the former Group COO of Food Concepts Plc and a Managing partner of Oakleigh Investments.

Please join me in welcoming Mr. Farrer while wishing him a very successful tenure as the Chief Executive of the Company.

In accordance with the provisions of CAMA your approval at this meeting is further required for his appointment. In addition, three of our Directors retiring by rotation will offer themselves for re-election during the course of this meeting.

APPRECIATION

My sincere appreciation goes to our numerous shareholders, employees and other stakeholders for their unflinching support and it is hoped that with the continued commitment of our Board, Management and Staff, the Company will continue to attain greater heights. On your behalf, I thank my colleagues on the Board, the Management and Staff for their exemplary work. We especially appreciate and say thank you to our numerous customers for their confidence in our brands.

With the continued trust and confidence in us, we look forward with excitement to a better performance in the years ahead with appreciable returns on investment for all shareholders.

Distinguished shareholders, my colleagues on the Board, ladies and gentlemen, I thank you for your presence at this meeting as I look forward to your very active participation.

Thank you for your attention and audience.



Alhaji Aliko Dangote (GCON)
Chairman

BOARD OF DIRECTORS



Alhaji Aliko Dangote (GCON)
Chairman



Paul Farrer
MD/CEO



Halima A. Dangote
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 2014

1. ACCOUNTS

The Directors are pleased to submit their report together with the audited accounts of the Company for the year ended 31st December, 2014.

2. RESULT

N'000

The Company's profit for the year after taxation was	1,867,038
Proposed final dividend for 2014	1,324,719

3. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year include processing of raw salt into refined, edible and industrial salt.

4. LEGAL FORM

The Company was incorporated on the 30th April, 1973 as a limited liability company. The shares are currently quoted on the Stock Exchange.

5. DIRECTORS AND DIRECTORS' INTERESTS

1. The names of Directors who are currently in office are as follows:

- (a) Alhaji Aliko Dangote (GCON)
- (b) Alhaji Sani Dangote
- (c) Halima Aliko Dangote
- (d) Mr. Olakunle Alake
- (e) Mr. Knut Ulmvoen
- (f) Mr. Suleiman Olarinde
- (g) Alhaji Sada Ladan-Baki
- (h) Alhaji Abdu Dantata
- (i) Mr. Paul Farrer (*Managing*)

2. In accordance with the provisions of Section 259 of the Companies and Allied Matters Act, 1990, one-third of the Directors of the Company who have been longest in office since their last election shall retire from office. In accordance with the provision of this section, Alhaji Abdu Dantata, Mr Knut Ulmvoen, Alhaji Sani Dangote are retiring by rotation and being eligible, offer themselves for re-election.

3. No Director has a service contract not determinable within five years.

4. The Directors' interests in the issued share capital of the Company as recorded in the register of members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, C20 Laws of the Federal Republic of Nigeria 2004, are as follows:

DIRECTORS' SHAREHOLDING

Number of 50k Shares held

		As at 31 Dec., 2014	As at 31 Dec., 2013	As at 31 Dec., 2012
(a)	Alhaji Aliko Dangote (GCON)	—	74,004,503	74,004,503
(b)	Alhaji Sani Dangote	—	36,042,062	42,062
(c)	Mr. Olakunle Alake	—	4,170,000	4,170,000
(d)	Halima Aliko Dangote	—	—	—
(e)	Mr. Knut Ulmvoen	—	—	—
(f)	Mr. Suleiman Olarinde	—	—	—
(g)	Alhaji Sada Ladan-Baki	—	1,758,673	279,288
(h)	Alhaji Abdu Dantata	—	12,000,000	12,000,000
(i)	Mr. Paul Farrer (<i>Managing</i>)	—	—	—

Report of the Directors

For the year ended 31 December 2014

SHARE CAPITAL HISTORY

AUTHORISED NOMINAL VALUE			ISSUED AND PAID-UP					
			Other than by Bonus		Bonus Issue		Total	
Year	No. of Shares '000	Amount N'000	No. of Shares '000	Amount N'000	No. of Shares '000	Amount N'000	No. of Shares '000	Amount N'000
1991	40,000	20,000					14,110	7,055
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	65,847	32,923			79,957	39,978
1997	200,000	100,000					79,957	39,978
1998	200,000	100,000					79,957	39,978
1999	200,000	100,000					79,957	39,978
2000	200,000	100,000					79,957	39,978
2001	200,000	100,000					79,957	39,978
2002	200,000	100,000					79,957	39,978
2003	200,000	100,000					79,957	39,978
2004	200,000	100,000					79,957	39,978
2005	200,000	100,000					79,957	39,978
2006	4,000,000	2,000,000					79,957	39,978
2007	4,000,000	2,000,000	2,127,909	1,063,954			2,207,865	1,103,932
2008	4,000,000	2,000,000			441,573	220,787	2,649,438	1,324,719
2009	4,000,000	2,000,000					2,649,438	1,324,719
2010	4,000,000	2,000,000					2,649,438	1,324,719
2011	4,000,000	2,000,000					2,649,438	1,324,720
2012	4,000,000	2,000,000					2,649,438	1,324,721

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. CORPORATE GOVERNANCE

- The Company is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.
- Members of the Board of Directors hold quarterly meetings to decide on policy matters and direct the affairs of the Company, review its performance, its operations, finance and formulate growth strategy. Attendance at Directors' meetings is impressive.

Report of the Directors

For the year ended 31 December 2014

- In line with the 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.
- The remuneration of Executive Directors is fixed and reviewed by a committee of non-Executive Directors.
- The Board of Directors consists of 9 members; a Chairman, Managing Director and 7 non-Executive Directors.
- Appointment to the Board is made by shareholders at the Annual General Meeting upon retirement.
- The Board, from time to time, routinely empowers committees to examine and deliberate on finance and establishment related issues.

8. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st December 2014, 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.

9. FIXED ASSETS

Movements in fixed assets during the year are shown in Note 14 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.

10. 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, 2014 and the profit for the year ended on that date, which have not been adequately recognized.

11. COMPANY DISTRIBUTORS

The Company's products are distributed by customers across the country.

12. 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 as well as Dangote Agrosacks Ltd.

13. ANALYSIS OF SHAREHOLDINGS

Analysis of shareholdings as at 31st December, 2014:

Range		No. of Holders	Per cent	Units	Per cent
1	— 1,000	19,849	57.93	8,008,152	0.30
1,001	— 5,000	6,529	19.06	16,334,590	0.62
5,001	— 10,000	2,443	7.13	17,410,585	0.66
10,001	— 50,000	3965	11.57	85,627,311	3.23
50,001	— 100,000	695	2.03	51,231,920	1.93
100,001	— 500,000	591	1.72	123,568,876	4.66
500,001	— 1,000,000	82	0.24	58,197,552	2.20
1,000,001	— 5,000,000	83	0.24	164,302,231	6.20
5,000,001	— 10,000,000	11	0.03	78,195,642	2.95
10,000,001	and above	13	0.04	2,046,561,519	77.25
Grand Total		34,261	100.00	2,649,438,378	100.00

Report of the Directors

For the year ended 31 December 2014

14. DONATIONS

No donations were made by the Company in the year under review.

15. HUMAN RESOURCES

1. Employment and Employees

The Company has reviewed its employment policy in line with the needs of business. Careful recruiting is now the focus to ensure that 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 maintains a high standard of hygiene in all its premises through sanitation practices and the regular fumigation exercises 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 programmes have been organized to meet the needs 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.

16. AUDIT COMMITTEE

Pursuant to Section 359(3) of the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria 2004, the Company has put in place an Audit Committee comprising two shareholders and two Directors as follows:

Mr. J. S. Ajibola	—	Shareholder/Chairman
Mr. Suleiman Olarinde	—	Director/Member
Mr. Metu Richard Anyanaso	—	Shareholder/Member
Alhaji Abdu Dantata	—	Director/Member

17. 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.

4 May, 2015

Corporate Governance Report

National Salt Company of Nigeria 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 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 nine (9) members, the Chairman, Managing Director and seven (7) non-Executive Directors.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

It is the responsibility of the Board of National Salt Company of Nigeria 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.

MEETING OF THE BOARD OF DIRECTORS

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, finance and formulate growth strategies. It may however, convene a meeting if the need arises.

RECORD OF DIRECTORS' MEETINGS

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.

Board Meetings and Attendance for the Year 2014

No.	Name	7th Feb. 2014	5th May 2014	19th June 2014	1st August 2014	2th October 2014
1.	Alhaji Aliko Dangote (GCON)	✓	✓	✓	✓	✓
2.	Alhaji Abdu Dantata	✓	✓	✓	✓	✓
3.	Alhaji Sani Dangote	✓	A	✓	A	✓
4.	Mr. Olakunle Alake	✓	✓	✓	✓	✓
5.	Mr. Ade Adeniji	✓	✓	✓	✓	✓
6.	Alhaji Sada Ladan-Baki	✓	A	✓	✓	✓
7.	Mr. Knut Ulvmoen	✓	✓	✓	✓	✓
8.	Mr. S. Olarinde	✓	✓	✓	A	A
9.	Halima Aliko Dangote	✓	✓	✓	✓	✓

Corporate Governance Report

SUBMISSION OF YEAR 2014 FINANCIAL STATEMENTS TO NIGERIAN STOCK EXCHANGE

The financial statements for the year ended 31 December, 2014 were submitted to the Nigerian Stock Exchange on the 13th May, 2015.

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 General Purpose 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 (4) 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>

Finance Committee Meetings and Attendance 2014

No.	Name	6th February 2014	5th May 2014	4th August 2014	27th October 2014
1.	Mr. Olakunle Alake	✓	✓	✓	✓
2.	Alhaji Abdu Dantata	✓	✓	✓	✓
3.	Mr. Ade Adeniji	✓	✓	✓	✓
4.	Alhaji Sada Ladan-Baki	✓	✓	✓	✓

The Committee held four meetings in the year and 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

Mr. Knut Ulvmoen	—	<i>Chairman</i>
Mr. Suleiman O. Olarinde	—	<i>Member</i>
Mr. Ade Adeniji	—	<i>Member</i>
Halima Aliko Dangote	—	<i>Member</i>

Establishment Committee Meetings and Attendance 2014

No.	Name	6th February 2014	6th May 2014	1st August 2014	28th October 2014	12th December 2014
1.	Mr. Knut Ulvmoen	✓	✓	✓	✓	✓
2.	Mr. Suleiman Olarinde	✓	✓	✓	✓	A
3.	Mr. Ade Adeniji	✓	✓	✓	✓	✓
4.	Halima Aliko Dangote	✓	✓	✓	✓	✓

Corporate Governance Report

The Committee held four meetings in the year and is responsible for:

- Reviewing of the policy framework for employees' and remuneration issues.
- Making recommendation 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 four (4) members, two representatives of Shareholders and two (2) 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.

Audit Committee Meetings and Attendance 2014

No.	Name	5th February 2014	7th May 2014	6th August 2014	12th December 2014
1.	Mr. J. S. Ajibola	✓	✓	✓	✓
2.	Mr. Richard Metu	✓	✓	✓	✓
3.	Alhaji Abdu Dantata	✓	✓	✓	✓
4.	Mr. Suleiman Olarinde	✓	✓	✓	✓

The Committee met four times within the year.

Members of the Committee are:

Mr. J. S. Ajibola	—	<i>Chairman/Shareholder Representative</i>
Mr. Metu Richard Anyanaso	—	<i>Shareholder Representative</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 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.

Insider Trading Policy

In accordance with Section 14 of the Nigerian Stock Exchange Amended Listing Rules, the Board has put in place a Security Trading Policy which applies to all Directors and Employees and also to those who may at any time possess, any insider or material information about the Company.

The Security Trading Policy as endorsed by the Board is in substantial conformity with the standard set out in Section 14 of the Amended Listing Rules.

Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors of the Company, they have all confirmed their compliance with the Policy in the period before the Company results were announced for the 2014 financial year. There is no case of non-compliance with the Policy.

Furthermore, the compliance of the Company Directors with the Listing rules and the anti-insider trading policy will continue to be disclosed in the Company's quarterly and other financial reports.

Report of the Audit Committee

TO THE MEMBERS OF NATIONAL SALT COMPANY OF NIG. PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 1990, we have examined the Auditors' report for the year ended 31st December 2014. 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.



Mr. J. S. Ajibola
Chairman, Audit Committee

Members of the Committee

Alhaji Suleiman Olarinde

Alhaji Abdu Dantata

Mr. Metu Richard Ayanaso

Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements

For the year ended 31 December 2014

The Directors of National Salt Company of Nigeria Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2014, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act.

In preparing the consolidated financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

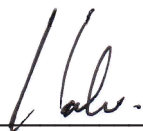
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and preventing and detecting fraud and other irregularities.

Going Concern

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

The financial statements of the Company for the year ended 31 December 2014 were approved by Directors on 30th April, 2015.

On behalf of the Directors



Olakunle Alake
Director

FRC/2013/ICAN/00000002214



Tunde Iwamofe
Chief Financial Officer

FRC/2013/ICAN/00000002247



Aliko Dangote, GCON
Chairman

FRC/2013/IODN/00000001766

Report of the Independent Auditors

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, ("the Company") which comprise the statements of financial position as at 31 December 2014, the statements of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies 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, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 controls 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 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 give a true and fair view of the financial position of National Salt Company of Nigeria Plc, as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Other Reporting Responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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



Uche Urobu, FCA – FRC/2013/ICAN/00000000871

for: **Akintola Williams Deloitte**

Chartered Accountants

Lagos, Nigeria

30 April, 2015

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014


	Note	2014 N'000	2013 N'000
Continuing operations			
Revenue	5	11,250,544	10,837,261
Cost of sales	6	(7,464,783)	(6,244,155)
Gross profit		3,785,761	4,593,106
Investment income	7	30,227	230,136
Other income	8	102,877	228,341
Distribution expenses		(123,720)	(71,432)
Administrative expenses	9	(923,520)	(933,429)
Finance cost	10	(15,226)	(8,317)
Profit before tax	11	2,856,399	4,038,405
Income tax expense	12	(989,361)	(1,338,863)
Profit for the year		1,867,038	2,699,542
Other comprehensive income, net of income tax		—	—
Total comprehensive income for the year		1,867,038	2,699,542
Earnings per share			
From continuing operations		—	—
Basic and diluted (kobo per share)		70	102


Statement of Financial Position


As at 31 December 2014

	Note	2014 N'000	2013 N'000
Assets			
Non-current assets			
Property, plant and equipment	14	6,683,479	5,749,055
Intangible assets and goodwill	15	234,993	—
Other assets	16	14,545	—
Total non-current assets		6,933,017	5,749,055
Current assets			
Inventories	17	1,471,568	815,483
Trade and other receivables	18	724,183	1,119,395
Other assets	16	46,749	753,560
Cash and bank balances	19	887,751	1,192,879
Due from related parties	28.1	2,492,617	1,800,795
Total current assets		5,622,868	5,682,112
Total assets		12,555,885	11,431,167
Equity and liabilities			
Capital and reserves			
Share capital	20	1,324,719	1,324,719
Share premium	21	434,037	434,037
Retained earnings	22	4,548,550	5,133,870
Total equity		6,307,306	6,892,626
Non-current liabilities			
Borrowings	23	38,570	38,570
Retirement benefit obligation	24	327,986	340,373
Deferred tax liabilities	12	535,908	352,882
Total non-current liabilities		902,464	731,825
Current liabilities			
Bank overdraft	19	5,236	5,236
Trade and other payables	25	2,023,915	1,247,559
Due to related parties	28.2	2,563,112	1,390,593
Current tax liabilities	12	753,852	1,163,328
Total current liabilities		5,346,115	3,806,716
Total liabilities		6,248,579	4,538,541
Total equity and liabilities		12,555,885	11,431,167

These financial statements were approved by the Board of Directors and authorised for issue on 30 April 2015 and signed on its behalf by:


Olakunle Alake
 Director
 FRC/2013/ICAN/00000002214


Tunde Iwamofe
 Chief Financial Officer
 FRC/2013/ICAN/00000002247


Aliko Dangote, GCON
 Chairman
 FRC/2013/IODN/00000001766

The accompanying notes on pages 22 to 60 and non-IFRS statements on pages 61 to 61 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2014

	Share capital N'000	Share premium N'000	Revaluation reserve N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2013	1,324,719	434,037	—	4,818,823	6,577,579
Profit for the year	—	—	—	2,699,542	2,699,542
Other comprehensive income for the year (net of tax)	—	—	—	—	—
Total comprehensive income	—	—	—	2,699,542	2,699,542
Payment of dividends	—	—	—	(2,384,495)	(2,384,495)
Balance at 31 December 2013	1,324,719	434,037	—	5,133,870	6,892,626
Profit for the year	—	—	—	1,867,038	1,867,038
Other comprehensive income for the year (net of tax)	—	—	—	—	—
Total comprehensive income	—	—	—	1,867,038	1,867,038
Other adjustment	—	—	—	(67,863)	(67,863)
Payment of dividends	—	—	—	(2,384,495)	(2,384,495)
Balance at 31 December 2014	1,324,719	434,037	—	4,548,550	6,307,306

Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 N'000	2013 N'000
Cash flows from operating activities			
Cash receipts from customers		11,748,633	11,003,505
Cash paid to suppliers and employees		(6,321,873)	(7,681,561)
		5,426,760	3,321,944
Value added tax paid		(1,403)	12,357
Tax paid		(1,215,812)	(1,452,402)
Net cash provided by operating activities	26	4,209,545	1,881,899
Cash flows from investing activities			
Purchase of intangible asset	15	(281,429)	—
Purchase of property, plant and equipment	14	(1,888,350)	(2,594,791)
Proceeds from sale of property, plant and equipment		24,600	2,365
Interest received	7	30,227	230,136
Net cash provided by investing activities		(2,114,952)	(2,362,290)
Cash flows from financing activities			
Dividend paid	22.2	(2,384,495)	(2,384,495)
Interest paid		(15,226)	(8,317)
Net cash provided by financing activities		(2,399,721)	(2,392,812)
Net increase/(decrease) in cash and cash equivalents		(305,128)	(2,873,203)
Cash and cash equivalents at 1 January		1,187,643	4,060,846
Cash and cash equivalents at 31 December	19	882,515	1,187,643

Notes to the Financial Statements

For the year ended 31 December 2014

1. GENERAL INFORMATION

National Salt Company of Nigeria Plc. (Now NASCON INDUSTRIES Plc.) was incorporated in Nigeria as a limited liability company on 30 April 1973. It was fully privatized in April, 1992 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 PLC shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns about 62.19% of the issued share capital, while the remaining 37.81% is held by the Nigerian public.

The ultimate controlling party is Dangote Industries Limited.

The registered address of the Company is located at 15b Ikosi Road, Oregun, Ojota, Lagos.

1.1 The principal activity

The principal activity of the Company is the refining and sale of edible, refined, bulk and industrial salt as well as seasoning. The Company's products are sold through distributors across the country.

1.2 Financial period

These financial statements cover the financial year from 1 January 2014 to 31 December 2014 with comparatives for year ended 31 December 2013.

1.3 Going concern status

The Company has consistently turned in profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

1.4 Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political, social, and legislative risks. As it has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affecting the Company's access to capital and cost of capital for the Company and more generally, its business, results of operation, financial condition and prospects.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in this financial statements

In the current year, the Company has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure

Notes to the Financial Statements

For the year ended 31 December 2014

its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with professional investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. The Directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

Amendments to IAS 32 offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of currently has a legally enforceable right of set-off. The Directors of the Company do not anticipate that the application of these amendments to IAS 32 will have a significant impact on the Company's financial statements as the Company does not have any financial assets and financial liabilities that qualify for offset.

Amendments to IAS 36 recoverable amount disclosures for non-financial assets

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements. The amendments require retrospective application.

Amendments to IAS 39 novation of derivatives and continuation of hedge accounting

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments require retrospective application.

IFRIC 21 levies

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application.

Notes to the Financial Statements

For the year ended 31 December 2014

2.2 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ⁵
IFRS 15	Revenue from Contracts with Customers ⁴
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle ²
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle ¹

¹ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁵ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

IFRS 9 financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely

Notes to the Financial Statements

For the year ended 31 December 2014

payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

IFRS 15 revenue from contracts with customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.

Notes to the Financial Statements

For the year ended 31 December 2014

- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 11 accounting for acquisitions of interests in joint operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 clarification of acceptable methods of depreciation and amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 agriculture: bearer plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in

Notes to the Financial Statements

For the year ended 31 December 2014

accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to IAS 19 defined benefit plans: employee contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements.

Annual improvements to IFRSs 2010–2012 cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is

Notes to the Financial Statements

For the year ended 31 December 2014

adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

Annual improvements to IFRSs 2011-2013 cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- (a) the property meets the definition of investment property in terms of IAS 40; and
- (b) the transaction meets the definition of a business combination under IFRS 3.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Statement of compliance

The financial statements are prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these financial statements.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Notes to the Financial Statements

For the year ended 31 December 2014

3.3 Functional and presentation currency

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

3.4 Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, after deducting discounts, customer returns, VAT, volume rebates and other similar allowance. Sales are stated at their invoiced amount which is net of value added taxes and discounts.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the Company; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self-collection terms) and legal title is passed.

3.5 Interest income

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

3.6 Employee benefits

3.6.1 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The entity was operating a defined benefit for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration. However, the Board resolved to eliminate the scheme effective January, 2013.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

For the year ended 31 December 2014

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting sheet date. Education tax is assessed at 2% of the assessable profits.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Property, plant and equipment

3.8.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

Notes to the Financial Statements

For the year ended 31 December 2014

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of comprehensive income.

3.8.2 Subsequent costs

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

3.8.3 Depreciation

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

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

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

- Buildings — 50 years (2%)
- Plant and Machinery — 15 years (6.67%)
- Motor Vehicles — 4 years (25%)
- Computer Equipment — 3 years (33.3%)
- Tools and Equipment — 4 years (25%)
- Furniture and Equipment — 5 years (20%)

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

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

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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For the year ended 31 December 2014

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where there are no agreed lease terms, rent payable is recognised as incurred.

3.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.11 Impairment of tangible and intangible assets excluding goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

Notes to the Financial Statements

For the year ended 31 December 2014

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of engineering spares and consumable stock is determined on a weighted average basis. Cost of other stock (raw materials, packaging materials, work-in-progress and finished goods) is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventory includes purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (when the time value of money is material).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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For the year ended 31 December 2014

3.13.2 Environmental costs

Costs incurred that result in future economic benefits, such as extending useful lives, increasing capacity or safety, and those costs incurred to mitigate or prevent future environmental contamination are capitalized. When the Company's management determine that it is probable that a liability for environmental costs exists and that its resolution will result in an outflow of resources, an estimate of the future remediation cost is recorded as a provision without contingent insurance recoveries being offset (only virtually certain insurance recoveries are recognized as an asset on the statement of financial position). When we do not have a reliable reversal time schedule or when the effect of the passage of time is not significant, the provision is calculated based on undiscounted cash flows.

Environmental costs, which are not included above, are expensed as incurred.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The Company's financial assets comprise loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Notes to the Financial Statements

For the year ended 31 December 2014

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all categories of financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the owner will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with a default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Notes to the Financial Statements

For the year ended 31 December 2014

3.15 Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid investments and cash equivalents which are not subject to significant changes in value and with an original maturity date of generally less than three months from the time of purchase.

3.16 Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' (FVTPL) or other liabilities.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term or on initial recognition;
- it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit taking;
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided on that basis; or it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses' line item.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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For the year ended 31 December 2014

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

Derecognition of financial liabilities

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

3.17 Earnings per share

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

3.18 Foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Naira, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date and are not restated.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined and are not restated.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2014

3.20 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds and the fair value of the loan based on prevailing market interest rates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's significant accounting policies, described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2 Useful life of property, plant and equipment

The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

4.3 Allowance for credit losses

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

Notes to the Financial Statements

For the year ended 31 December 2014

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

Furthermore all balances are reviewed for evidence of impairment and provided against once recovery is doubtful. These assessments are subjective and involve a significant element of judgment by management on the ultimate recoverability of amounts receivable.

5. REVENUE

The following is the analysis of the entity's revenue for the year from continuing operations (excluding investment income — see Note 7).

	2014 N'000	2013 N'000
Revenue from sales of salt and seasoning (Note 5.1)	9,853,642	9,471,596
Freight income	1,396,902	1,365,665
	11,250,544	10,837,261

5.1 The amount represents revenue realised during the year on the sale of edible, refined, bulk, industrial salt as well as seasoning.

5.2 Our major customers are as follows:

Alh Sani Adamu Trader
Alh Ali Balarabe Musa
West African Popular Food
Alh Sabo Dankoli
Alh Salisu Sambajo

None of the customers above contributed up to 10% of the total revenue earned in the year ended 31 December, 2014.

Others customers include leading blue chip companies in Nigeria, such as manufacturers of confectioneries, seasonings, refined edible oil, processed leather, noodles and oil industries. They buy industrial salts of different grades and specifications.

5.3 The Company provides freight services to customers by transporting refined salt purchased to their destinations. Freight income represents revenue earned in respect of this during the year. The associated cost of running the freight services is rendered in cost of sales.

5.4 Geographical information

The Company's revenue from external customers by region of operations is listed below:

	2014 N'000	2013 N'000
East	922,735	1,294,697
West	3,157,688	3,417,797
North	7,170,121	6,124,767
	11,250,544	10,837,261

Notes to the Financial Statements

For the year ended 31 December 2014

5.4.1 Distributors

The Company sells iodized salt directly to distributors who redistribute to small wholesalers, confectioners, supermarkets and retailers. Retail packs come in various sizes 250g, 500g and 1kg and are sold under the brand name DANGOTE REFINED SALT.

Sales to distributors account for 85% of the Company's sales.

	2014 N'000	2013 N'000
6. COST OF SALES		
Direct material cost	3,976,634	3,318,729
Direct labour cost	729,404	528,581
Direct overhead	668,253	691,604
External haulage	1,415,210	1,185,905
Depreciation	608,041	460,352
Loading	67,241	58,984
	7,464,783	6,244,155
7. INVESTMENT INCOME		
Interest income:		
Bank deposits (Note 7.1)	437	2,622
Fixed deposits	11,104	101,056
Commercial paper	18,686	126,458
	30,227	230,136

7.1 The interest income on bank deposits were earned at the average rate of 9% per annum.

	2014 N'000	2013 N'000
8. OTHER INCOME		
Sale of scrap	21,134	—
Gain on disposal of asset	9,554	—
Sundry income	—	19,975
Credits no longer required (Note 8.1)	15,306	21,910
Provision no longer required	—	155,000
— Gratuity	—	31,456
— Customers bonus	—	—
Tax provision	31,731	—
Discount received	8,150	—
Insurance claim	17,002	—
	102,877	228,341

8.1 Credits no longer required relates to the release of accruals for which there are no existing liabilities while in the prior year the amount relates to the release of credit balances in some depots which dates back to 2005.

Notes to the Financial Statements

For the year ended 31 December 2014

9. ADMINISTRATIVE EXPENSES

	2014 N'000	2013 N'000
Directors' remuneration	80,816	59,642
Salaries and related staff costs	333,101	244,483
Management fee	87,725	223,742
Depreciation	70,650	43,354
Amortisation of licence	46,436	—
Donation	—	54,000
Impairment loss	1,172	37,812
Utilities	66,319	48,912
IT and communication cost/insurance	109,959	69,008
Transport, travelling and accommodation	73,468	72,751
AGM expenses	9,767	29,430
Audit fee	15,500	14,500
Legal, professional and development expenses	28,607	35,795
	923,520	933,429

10. FINANCE COST

Bank charges	15,226	8,317
	15,226	8,317

11. PROFIT BEFORE TAX FOR THE YEAR FROM CONTINUING OPERATIONS

Profit before tax for the year is arrived after charging the following:

	2014 N'000	2013 N'000
Depreciation expense	678,691	503,706
Amortisation expense	46,436	—
Impairment loss on trade receivables	—	24,572
Management fee	87,242	223,742
Directors' remuneration	80,816	59,642
Legal and professional fees	15,052	26,547
Staff cost	1,062,505	773,064
Provision for bad and doubtful debts	1,172	13,240
Auditor's remuneration	15,500	14,500

Notes to the Financial Statements

For the year ended 31 December 2014

12. TAXATION

12.1 Income tax recognised in profit or loss

Current tax

Current tax expense	686,221	1,073,755
Education tax	70,286	89,573
Adjustment for prior periods	49,829	2,655
	<u>806,336</u>	<u>1,165,983</u>

Deferred tax

Deferred tax expense	183,026	172,880
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Total income tax recognised in current year

<u>989,361</u>	<u>1,338,863</u>
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The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004, the Education Tax Act CAP E4, LFN 2004. Corporation Tax and Education Tax is calculated at 30% and 2% respectively of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

12.2 The income tax expense for the year can be reconciled to the accounting profit as follows:

	2014 N'000	2013 N'000
Profit before tax from continuing operations	2,856,399	4,038,405
Income tax expense calculated at 30% (2013: 30%)	856,919	1,212,272
Education tax assessable at 2% of assessable profit	70,286	89,573
Effect of expenses that are not deductible in determining taxable profit	32,349	19,674
Effect of concessions (research and development and other allowances)	(15,611)	(2,894)
Effect of profit on actuarial revaluation recognised in other comprehensive income	—	—
Unbooked difference	(4,411)	(6,528)
Adjustments recognised in the current year in relation to the deferred tax of prior years	—	24,111
Adjustments recognised in the current year in relation to the current tax of prior years	49,829	2,655
Income tax expense recognised in profit and loss (relating to continuing operations)	<u>989,361</u>	<u>1,338,863</u>

12.3 Current tax assets and liabilities

Income tax payable	753,852	1,163,328
	<u>753,852</u>	<u>1,163,328</u>

Notes to the Financial Statements

For the year ended 31 December 2014

12.4 Current tax liabilities in the statement of financial position

	2014 N'000	2013 N'000
Balance, beginning of the year	1,163,328	1,449,747
Charge for the year	806,336	1,165,983
Payment made during the year	(1,165,983)	(1,452,402)
Prior year payment	(49,829)	—
Balance, end of the year	753,852	1,163,328

12.5 Deferred tax balance

Deferred tax liabilities	535,908	352,882
	535,908	352,882

12.5.1 Movement in deferred tax payable account

Balance, beginning of the year	352,882	180,002
Charge for the year	183,026	172,880
Discontinued operation	—	—
Balance, end of year	535,908	352,882

Deferred tax as at 31 December 2014 was as a result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances granted for tax purposes.

12.6 Analysis of deferred tax is made up of

	Opening balance N'000	Recognized in profit or loss N'000	Recognized in other comprehensive income N'000	Closing balance N'000
31/12/2014				
Deferred tax (asset) or liability in relation to:				
Property, plant and equipment	719,041	160,136	—	879,177
Allowance for doubtful debt	(244,873)	—	—	(244,873)
Provisions for employee benefit	(102,112)	3,716	—	(98,396)
Provision for obsolete spares	(19,174)	19,174	—	(0)
	352,882	183,026	—	535,908
31/12/2013				
Deferred tax asset or liability in relation to:				
Property, plant and equipment	583,133	135,908	—	719,041
Allowance for doubtful debt	(249,600)	4,727	—	(244,873)
Provisions for employee benefit	(136,894)	34,782	—	(102,112)
Provision for obsolete spares	(16,637)	(2,537)	—	(19,174)
	180,002	172,880	—	352,882

Notes to the Financial Statements

For the year ended 31 December 2014

	2014 N'000	2013 N'000
13. EARNINGS PER SHARE		
Profit for the year attributable to the owners of the Company	<u>1,867,038</u>	<u>2,699,542</u>
Earnings used in the calculation of basic earnings per share	<u>1,867,038</u>	<u>2,699,542</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,649,438</u>	<u>2,649,438</u>
Basic and diluted earnings per share (kobo)		
From continuing operations	<u>70</u>	<u>120</u>

Notes to the Financial Statements

For the year ended 31 December 2014

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building N'000	Plant and machinery N'000	Tools and equipment N'000	Motor vehicles N'000	Computer equipment N'000	Furniture and fittings N'000	Capital work-in- progress N'000	Total N'000
COST								
Balance at 1 January 2014	406,950	2,009,019	20,793	2,569,360	43,373	55,596	2,987,057	8,092,148
Additions	7,870	71,055	18,655	732,787	10,326	4,761	1,042,896	1,888,350
Disposal	—	—	—	(746,283)	—	—	—	(746,283)
Transfer	129,138	450,779	6,068	35,723	—	10,038	(631,746)	(0)
Adjustments	—	—	—	—	—	—	(260,190)	(260,190)
Balance at 31 December 2014	543,958	2,530,853	45,516	2,591,587	53,699	70,395	3,138,017	8,974,025
Accumulated depreciation and impairment								
Balance at 1 January 2014	52,721	732,298	11,650	1,471,193	33,331	41,900	—	2,343,093
Depreciation expense	8,404	136,607	4,815	517,025	6,747	5,093	—	678,691
Eliminated on disposal	—	—	—	(731,238)	—	—	—	(731,238)
Balance at 31 December 2014	61,125	868,905	16,465	1,256,980	40,078	46,993	—	2,290,546
Carrying amount								
At 31 December 2014	482,833	1,661,948	29,051	1,334,607	13,621	23,402	3,138,017	6,683,479
At 31 December 2013	354,229	1,276,721	9,143	1,098,167	10,042	13,696	2,987,057	5,749,055

Notes to the Financial Statements

For the year ended 31 December 2014

14.1 Work-in-progress

Work-in-progress comprises amounts expended on palm oil plant and tomato plant.

14.2 The Company's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. The fair value measurement to the Company's freehold land and buildings was performed by Messrs Dan Odiete & Co. (Estate Surveyors, Valuers and Real Estate Consultants) on 22nd November 1994 and Alagbe & Partners (Estate Surveyors and Valuers) in July 2002 on the basis of the open market capital value. The surplus arising from the revaluations was credited to revaluation reserve account but transferred to retained earnings on transition to IFRS in 2012.

14.3 Assets pledged as security.

None of the Company's assets were pledged as security for any liabilities as at 31 December 2014 (2013: Nil).

14.4 Capital commitments

The Company's total capital commitments as at 31 December, 2014 amounted to ₦238.9 million in respect of the new factories for tomato paste, seasoning and vegetable oil at Otta, Ogun State, Nigeria.

15. INTANGIBLE ASSETS

Cost

At January 2014

Additions

Balance at 31 December 2014

Amortization

At January 2014

Amortization expenses

Balance at 31 December 2014

Carrying amount

At 31 December 2014

	2014 N'000	2013 N'000
At January 2014	—	—
Additions	281,429	—
Balance at 31 December 2014	<u>281,429</u>	<u>—</u>
At January 2014	—	—
Amortization expenses	46,436	—
Balance at 31 December 2014	<u>46,436</u>	<u>—</u>
At 31 December 2014	<u>234,993</u>	<u>—</u>

Intangible asset (computer software) represents software which has a useful life of 3 years and amortized on a straight-line basis over the year.

Notes to the Financial Statements

For the year ended 31 December 2014

	Note	2014 N'000	2013 N'000
16. OTHER ASSETS			
Prepayments:			
Rent		30,245	37,607
Insurance		2,377	4,478
Deposit for imports		—	418,329
SAP implementation	16.1	—	197,029
Import duties on deposit for import	16.2	28,672	87,705
Others		—	8,412
		61,294	753,560
Current		46,749	753,560
Non-current		14,545	—
		61,294	753,560

16.1 Relates to amounts paid in the prior year for the implementation of the Company's SAP software.

16.2 Represents deposits for clearing and other shipping charges with respect to the deposit for raw salt.

		2014 N'000	2013 N'000
17. INVENTORIES			
Raw materials		305,854	520,787
Finished goods		916,812	75,786
Spare parts and consumables	17.1	60,914	130,303
Packaging materials		176,910	77,850
Oil and lubricants		11,078	10,757
		1,471,568	815,483

17.1 The provision for obsolete spares in 2013 relates to spares for which the associated equipment are already written off in the current year and thus no more in operations and because they are specialised spares have no significant alternative use.

	2014 N'000	2013 N'000
Movement in stock of spares		
Cost	60,914	194,215
Allowance for obsolete spares	—	(63,912)
	60,914	130,303

17.2 No inventory was pledged as security for any liability.

Notes to the Financial Statements

For the year ended 31 December 2014

18. TRADE AND OTHER RECEIVABLES

Trade receivables disclosed below are carried at cost less allowance for doubtful debts.

The average credit period taken on sales of goods is 30 days. No interest is charged on outstanding trade receivables. It is the Company's policy to recognise a 100% allowance on receivables that are due for over 365 days based on management judgment that those receivables are unlikely to be recovered. Allowances for doubtful debts are recognised against trade receivables between 60 days and 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of their current financial position.

Trade receivables disclosed include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality.

	Note	2014 N'000	2013 N'000
Trade debtors	18.3	1,095,878	1,143,385
Allowance for bad and doubtful debts	18.4	(816,243)	(816,243)
		279,635	327,142
Staff loans and advances	18.1	74,920	80,876
Advance to suppliers	18.2	321,067	206,425
Transport income receivable		28,440	492,878
Insurance claim receivable		16,629	15,623
VAT receivable		28,834	27,016
		749,525	1,149,960
Allowance for doubtful insurance claim receivable		(15,623)	(15,623)
Allowance for doubtful staff loans and advances		(9,719)	(14,942)
		724,183	1,119,395

18.1 Amount relates to loans and advances to employees of the Company which mainly are due within one year.

18.2 Amount relates to advance payment made to suppliers for provision of services for which benefits have not been received.

	2014 N'000	2013 N'000
18.3 Ageing of past due but not impaired receivables		
61 – 90 days	231,931	310,918
91 – 360 days	47,703	16,224
	279,634	327,142
Average age (days)		
18.4 Movement in the allowance for doubtful debts		
At 1 January	816,243	791,671
Amount recovered during the year	—	(13,240)
At 31 December	816,243	816,243

Notes to the Financial Statements

For the year ended 31 December 2014

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

	2014 N'000	2013 N'000
Ageing of impaired trade receivables		
60 – 90 days	—	—
91 – 120 days	—	24,597
121 + days	816,243	791,646
	816,243	816,243

19. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term deposits with 30 days tenure. Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Note	2014 N'000	2013 N'000
Cash in hand		5,831	6,894
Bank balance		881,920	570,819
Short-term deposits		—	615,166
		887,751	1,192,879
Bank overdrafts	19.1	(5,236)	(5,236)
		882,515	1,187,643

19.1 Bank overdraft relates to outstanding debts with some Nigerian defunct bank.

20. SHARE CAPITAL

Authorised share capital

4,000,000,000 ordinary shares of 50 kobo each

2014 N'000	2013 N'000
2,000,000	2,000,000

Issued and fully paid

2,649,438,000 ordinary shares of 50 kobo each

1,324,719	1,324,719
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21. SHARE PREMIUM

1995: Rights issue 65,846,667 ordinary shares of 50k each issued at ₦2.84 premium

2007: Share conversion

Less: Deferred charges written off

156,793	156,793
404,303	404,303
(127,059)	(127,059)
434,037	434,037

Notes to the Financial Statements

For the year ended 31 December 2014

	Note	2014 N'000	2013 N'000
22. RETAINED EARNINGS			
At 1 January		5,133,870	4,818,823
Dividend declared and paid		(2,384,495)	(2,384,495)
Profit for the year		1,867,038	2,699,542
Adjustment	22.2	(67,863)	—
At 31 December		4,548,550	5,133,870

22.1 At the Annual General Meeting held on 19th June 2014, the shareholders approved that dividend of 90k be paid to shareholders (total value of ₦2.384 billion) for the year ended 31 December 2013. In respect of the current year, the Directors propose that a dividend of 50k per ordinary share be paid to shareholders.

22.2 The adjustment in retained earnings relates to the rental income earned from DIL logistic in 2012 with respect to warehouse services rendered to them.

	2014 N'000	2013 N'000
22.3 Dividend Summary		
At 1 January	—	—
Dividend declared	2,384,495	2,384,495
	<u>2,384,495</u>	<u>2,384,495</u>
Payments — Meristem Registrars	(2,384,495)	(2,384,495)
At 31 December	<u>—</u>	<u>—</u>

23. GOVERNMENT GRANT

Unsecured borrowing at amortized cost

Debenture	38,570	38,570
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At the time of privatisation in 1992, the debt owed the Federal Government of Nigeria, by the Company was restructured by the Bureau for Public Enterprise. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria.

24. RETIREMENT BENEFIT OBLIGATION

	2014 N'000	2013 N'000
24.1 Movement in gratuity		
Balance as at 1 January	340,373	516,267
Current service cost	—	(155,000)
Benefits paid out	(12,387)	(20,894)
Balance as at 31 December, 2014	327,986	340,373

As at the date of the valuation, no fund has been set up from which payments can be disbursed.

Notes to the Financial Statements

For the year ended 31 December 2014

24.2 Defined benefit plan

The entity was operating a defined benefit plan for its permanent Nigerian staff. The benefits under which are related to employees' length of service and final remuneration. However, the Board resolved to eliminate the scheme effective January, 2013.

24.3 Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	2014 ₦'000	2013 ₦'000
Current service cost	—	(155,000)
Interest cost	—	—
Past service cost	—	—
Curtailment (gains)	—	—
Expected return on plan asset	—	—
Net (gain)/charge	<u>—</u>	<u>(155,000)</u>

There was no expense/reversal for the current year. In the year 2013, the reversal of ₦155m was included in the employee benefit expenses in the profit or loss as provision no longer required.

24.4 Defined contribution plan

The Company operates defined contribution retirement benefit plans for its Nigerian employees. The assets of the plans are held separately from those of the Company and managed by Pension Fund Administrators. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments effective July 2014 and 7.5% of basic, housing and transport prior to July 2014.

24.5 Staff pension

	2014 ₦'000	2013 ₦'000
At 1 January	4,594	—
Contributions during the year	78,405	51,836
Remittance in the year	(76,813)	(47,242)
At 31 December	<u>6,186</u>	<u>4,594</u>

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of ₦78.4m represents contributions payable to this plan by the Company as at 31 December, 2014. The ₦6.2m balance represents December contribution which has been paid in January 2015.

Notes to the Financial Statements

For the year ended 31 December 2014

25. TRADE AND OTHER PAYABLES

	Note	2014 N'000	2013 N'000
Trade creditors		640,238	215,528
Other creditors and accruals		174,317	308,421
Value added tax		30,237	14,659
Customers' deposit	25.2	1,121,986	650,176
Withholding tax payable		50,840	51,522
PAYE		112	2,659
Staff pension	25.3	6,186	4,594
		2,023,916	1,247,559

25.1 Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

25.2 Customers' deposit

	2014 N'000	2013 N'000
New deposits	1,121,986	650,176
At 31 December	1,121,986	650,176

Customers' deposits relate to amount deposited by customers for which delivery has not been made during the year.

26. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Note	2014 N'000	2013 N'000
Profit after tax		1,867,038	2,699,542
Adjustments to reconcile profit after tax to net cash provided			
Capital work-in-progress expensed	14	260,190	—
Depreciation	14	678,691	503,705
Amortisation of intangible assets	15	46,436	—
Interest payable and similar charges	10	15,226	8,317
Interest receivable and similar income	7	(30,227)	(230,136)
Adjustment to fixed assets		—	(17,762)
Profit on sale of assets	8	(9,554)	—
Changes in assets and liabilities			
(Increase)/decrease in inventory		(656,085)	94,838
Decrease/(increase) in trade and other receivables		395,212	(505,787)
Increase in due from related parties		(759,685)	(408,668)
Decrease/(increase) in other assets — short-term		706,811	(712,615)
(Increase)/decrease in other assets — long-term		(14,545)	23,888
Increase/(decrease) in trade and other payables		776,357	(393,448)
Increase in due to related parties		1,172,519	1,109,458
Decrease in retirement benefit obligation		(12,387)	(175,894)
Increase/(decrease) in deferred tax		183,025	172,880
Decrease in tax payable		(409,477)	(286,419)
Total adjustments		2,342,507	(817,643)
Net cash provided by operating activities		4,209,545	1,881,899

Notes to the Financial Statements

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27. RISK MANAGEMENT

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Finance and Establishment Committee.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

27.1 Capital risk management

The capital structure of the Company consists of net debt (which includes the borrowings disclosed in Note 23, offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements.

The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

27.1.1 Gearing ratio

The gearing ratio at the year end is as follows:

	2014 N'000	2013 N'000
Debt	(43,806)	(43,806)
Cash and cash equivalents	887,751	1,192,879
Net Debt (i)	<u>843,945</u>	<u>1,149,073</u>
Equity (ii)	<u>6,307,306</u>	<u>6,892,626</u>
Net debt to equity ratio	13.38%	16.67%

Debt is defined as long- and short-term borrowings (bank overdraft inclusive), while equity includes all capital and reserves of the Company.

27.1.2 Categories of financial instruments

Assets

Trade and other receivables	374,282	885,954
Due from related parties	2,560,480	1,800,795
Cash and cash equivalents	887,751	1,192,879

Liabilities

Overdraft	5,236	5,236
Trade and other payables	820,741	528,543
Due to related parties	2,563,112	1,390,593

Notes to the Financial Statements

For the year ended 31 December 2014

27.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in relevant notes to the financial statements.

27.3 Foreign currency financial and credit risk

The Company is exposed to market, credit and liquidity risks. The parent Company's internal audit and risk management team is responsible for monitoring its exposure to each of the mentioned risks. This policy provides guidance over all treasury and finance related matters and is undermined by delegated authority guidelines and detailed procedures. The main objectives of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business to maintain the integrity and liquidity of the investment portfolio and to manage the impact of foreign exchange and interest rate volatility on the Company's net income.

27.4 Sensitivity analysis for interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding as the reporting date. Its cash and cash equivalents with financial institutions have fixed interest rates.

27.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate (bank guaranty, insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 16% of the trade receivables are due from a single customer whose credit history is good. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers

27.5.1 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the Company deals with and the maximum

Notes to the Financial Statements

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tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

27.5.2 Maximum exposure to credit risks

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2014 N'000	2013 N'000
Trade receivables	279,635	327,142
Other receivables	94,647	327,142
Cash and cash equivalents	882,515	1,187,643
Amount due from related party	2,560,480	1,800,795
	4,167,178	4,107,833

27.6 Liquidity risk management

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

27.6.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

27.6.2 Liquidity risk management

Maturity analysis

	2014		
	Total N'000	0 – 3 months N'000	3 – 6 months N'000
Financial liabilities			
Trade payables	640,238	465,197	175,041
Other payables	1,383,678	927,822	455,856
Due to related parties	2,563,112	323,289	2,239,823
Overdrafts	5,236	5,236	—
Government grant	38,570	38,570	—
	4,630,835	1,760,115	2,870,720

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27.6.3 Liquidity risk management

Maturity analysis

		2013	
	Total	0 – 3 months	3 – 6 months
	N'000	N'000	N'000
Financial liabilities			
Trade payables	215,528	55,652	159,876
Other payables	1,032,031	385,277	646,754
Due to related parties	1,390,593	1,000,901	389,692
Overdrafts	5,236	5,236	—
Government grant	38,570	38,570	—
	2,681,958	1,485,636	1,196,322

27.7 Fair value of financial instruments

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

	Book value		Fair value	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Financial asset				
Trade and other receivables	724,183	885,954	374,282	885,954
Due from related parties	2,560,480	1,800,795	2,560,480	1,800,795
Cash and cash equivalents	—	1,192,879	—	1,192,879
Financial liabilities				
Bank loans (overdrafts)	5,236	5,236	5,236	5,236
Trade and other payables	820,741	528,543	820,741	528,543
Due to related parties	2,563,112	1,390,593	2,563,112	1,390,593
Employee benefit	327,986	340,373	327,986	340,373
Government grant	38,570	38,570	38,570	38,570

The book value of the trade and other receivables is arrived at by factoring allowance for doubtful debts on trade receivables and other receivables.

The carrying amount of bank overdrafts and loans is approximately equal to their fair value.

Notes to the Financial Statements

For the year ended 31 December 2014

28. RELATED PARTY INFORMATION

28.1 Intercompany receivables

Parent and ultimate controlling party

	2014 N'000	2013 N'000
Dangote Industries Limited (Parent)	—	153,062
Allowance for doubtful debt	—	—
	—	153,062

Other related party receivables

Dangote Pasta Limited	7,918	7,918
Dangote Sugar Refineries	45,257	56,050
Dangote Noodles Limited	8,199	8,261
Dansa Foods Limited	—	2,546
Dangote Cement — Ibeshe	44,462	31,595
Obajana Cement	5,418	478
Agrosack Ltd	—	—
Dangote Transport	9,838	9,838
Dangote Logistics	—	67,863
Dangote Foundation	12,542	—
DANCOM	—	6,980
Bulk Commodities Ltd	2,358,983	1,456,204
Provision for doubtful related party receivables	—	—
	2,492,617	1,647,733
	2,492,617	1,800,795

28.2 Intercompany payables

Parent and ultimate controlling party

Dangote Industries Limited (Parent)	1,231,870	—
-------------------------------------	-----------	---

Other related party payables

Dangote Pasta Limited		
Dangote Sugar Refineries	70,298	108,316
DIL Flour Mills, Apapa	—	—
Dangote Noodles Limited	—	—
Dansa Foods Limited	5,059	—
Dangote Cement	24,194	24,194
Obajana Cement	466	—
Agrosack Ltd	91,091	97,900
Dangote Transport	22,962	22,962
Dangote Logistics	—	—
Dangote Head office	633,791	—
Dangote Foundation	—	—
Benue Cement	81,922	81,922
Benue Cement — Truck scheme	54,398	54,398
DANCOM	23,772	—
Bulk Commodities Ltd	323,289	1,000,901
Provision for doubtful related party receivables	—	—
	1,331,242	1,390,593
	2,563,112	1,390,593

Notes to the Financial Statements

For the year ended 31 December 2014

29. RELATED PARTY TRANSACTIONS

29.1 Identity of related parties

Related parties

Dangote Transport Limited

Dangote Sugar Refinery Plc

Dansa Foods Limited

Dangote Flour Mills Plc

Dangote Pasta Limited

Dangote Industries Limited

Dangote Noodles Limited

Dangote Agrosacks

Greenview Development Company Limited

Benue Cement

DANCOM

Dangote Cement Plc

Obajana Cement

Dangote Logistics

Nature of related party transactions

Fellow subsidiary company — provides haulage services

Fellow subsidiary company — buys crude salt and also provides warehouse facility for which NASCON pays rent

An entity controlled by a key management personnel of the Company that has trading relationship with the Company.

Fellow subsidiary

Fellow subsidiary — NASCON provides haulage services

Parent company — provides management support

Fellow subsidiary company — buys table salt

Fellow subsidiary — supplies empty sacks for bagging finished salt

Fellow subsidiary

Fellow subsidiary — NASCON buys trucks

Fellow subsidiary — service provider for IT services

Fellow subsidiary company that buys crude salt

Fellow subsidiary — NASCON provides haulage services

Fellow subsidiary — was using NASCON (Otta) warehouse for truck custody.

Information regarding Directors and employees

29.2 Directors

Directors' emoluments comprise:

Fees

Salaries

Sitting allowance

2014 N'000	2013 N'000
20,500	410
28,891	28,891
31,425	30,341
80,816	59,642

Notes to the Financial Statements

For the year ended 31 December 2014

The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:

₦'000	2014 Number	2013 Number
0 — 5,000	—	—
20,000 — 25,000	—	—
26,000 — 31,000	1	1
38,000 — 43,000	—	—
	1	1

29.3 Employees

Number of employees in receipt of emoluments excluding allowances and pension costs within the following ranges were:

₦'000	2014 Number	2013 Number
0 — 5,000	502	467
5,000 — 10,000	14	12
	516	479
Average number of persons employed during the year:		
Management	26	21
Senior staff	112	94
Junior staff	378	364
	516	479
Aggregate payroll costs	₦'000	₦'000
Wages, salaries, allowances and other benefits	1,062,505	773,064
Pension cost	41,578	25,918
	1,104,083	798,982

30. CAPITAL COMMITMENTS

New Tomato Paste Manufacturing Plant

The Company's total capital commitments as at 31 December, 2014 amounted to ₦238.9 million in respect of the new factories for tomato paste, seasoning and vegetable oil at Otta, Ogun State, Nigeria (2013: ₦358.1 billion).

31. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There is a litigation case filed against the entity's parent company (Dangote Industries Limited). Based on the Company's solicitor's advice, the Directors assess that there is a possible liability arising from a joint obligation out of the case.

32. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that could have had a material effect on the financial statements of the Company as at 31 December 2014 that have not been taken into account in these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2014

32.1 Proposed dividends

At the Annual General Meeting held on 19th June 2014, the shareholders approved that dividend of 90k amounting to ₦2.384 billion be paid to shareholders for the year ended 31 December 2013. In respect of the current year, the Directors propose that a dividend of 50k per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements. The total estimated dividend to be paid is ₦1.324 billion.

33. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements during its meeting of 30 April, 2015.

Statement of Value Added

For the year ended 31 December 2014

	2014		2013	
	N'000	%	N'000	%
Turnover	11,250,544		10,837,261	
Interest receivable and similar income	30,227		230,136	
Other income	102,877		228,341	
	<u>11,383,648</u>		<u>11,295,738</u>	
<i>Less: Bought in materials and services</i>				
— Imported	(3,976,634)		(2,544,588)	
— Local	(2,706,178)		(3,228,860)	
VALUE ADDED	<u>4,700,836</u>	<u>100</u>	<u>5,522,290</u>	<u>100</u>
APPLIED AS FOLLOWS:				
To pay employees				
Salaries, wages and other benefits	1,104,083	23	798,982	15
To pay government				
Income tax	806,336	17	1,338,863	24
To pay providers of capital				
Interest on loans, overdraft	15,226	—	8,317	—
To provide for replacement of assets and development				
Deferred tax	183,026	4	172,880	3
Depreciation	678,691	15	503,706	9
Amortisation of intangible assets	46,436	1	—	—
Profit and loss account	1,867,038	40	2,699,542	49
Other comprehensive income	—	—	—	—
	<u>4,700,836</u>	<u>100</u>	<u>5,522,290</u>	<u>100</u>

This report is not prepared under IFRS. Instead, it has been prepared in compliance with the Companies and Allied Matters Act (CAMA) requirement.

Five-Year Financial Summary

	IFRS 31 Dec. 2014 N'000	IFRS 31 Dec. 2013 N'000	IFRS 31 Dec. 2012 N'000	IFRS 31 Dec. 2011 N'000	IFRS 31 Dec. 2010 N'000
Asset Employed					
Non-current asset	6,933,017	5,749,056	3,666,461	3,335,989	2,587,775
Current assets	5,622,868	5,682,111	7,023,083	6,710,953	4,922,017
	12,555,885	11,431,167	10,689,544	10,046,942	7,509,792
Financed By					
Share capital	1,324,719	1,324,719	1,324,719	1,324,719	1,324,719
Share premium	434,037	434,037	434,037	434,037	434,037
Non-current liabilities	902,464	731,825	734,839	827,782	729,093
Current liabilities	5,346,115	3,806,716	3,377,126	3,554,604	2,024,216
Retained earnings	4,548,550	5,133,870	4,818,823	3,905,800	2,997,727
	12,555,885	11,431,167	10,689,544	10,046,942	7,509,792
Turnover, Profit and Taxation					
Turnover	11,250,544	10,837,261	13,414,185	8,894,015	8,767,353
Profit before taxation	2,856,399	4,038,405	4,036,336	3,138,599	2,058,340
Taxation	(989,361)	(1,338,863)	(1,270,030)	(934,904)	(410,019)
Profit after taxation	1,867,038	2,699,542	2,766,306	2,203,695	1,648,321
Earnings per share					
Earnings — Basic	0.70	1.02	1.04	84	62
Earnings — Diluted	0.70	1.02	1.04	84	62
Net assets	241	260	248	214	180

This report is not prepared under IFRS. Instead, it has been prepared in compliance with the Companies and Allied Matters Act (CAMA) requirement.

Data on Claimed/Unclaimed Dividends

As at December 31, 2014

Dividend Year	Payment Date	Dividend No.	Amount Declared ₦	Total Amount Claimed ₦	Total Unclaimed ₦
2007	17/07/2008	1	883,146,126.00	862,061,968.12	21,084,157.88
2008	05/10/2009	2	1,059,775,351.20	1,024,067,502.36	35,707,848.84
2009	04/10/2010	3	1,324,719,189.00	1,281,790,538.55	42,928,650.45
2010	11/07/2011	4	1,324,719,189.00	1,275,624,297.90	49,094,891.10
2011	07/06/2012	5	1,854,606,865.00	1,753,320,516.17	101,286,348.83
2012	17/06/2013	6	2,384,494,540.20	2,248,956,344.43	135,538,195.77
2013	24/06/2014	7	2,384,494,540.20	2,217,627,584.78	166,866,955.42

Notes

Mandate Form



To:

**The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle -Yaba
Lagos.**

P.O. Box 51585

Falomo-Ikoyi, Lagos

Phone: +234 (1) 2809250- 3, 0700MERIREG

e-Mail: info@meristemregistrars.com

Website: www.meristemregistrars.com

I/We hereby request that from now on, all my/our dividend warrant(s) due to me/us from my/our holding(s) in NASCON Industries Plc be paid to my/our Bank named below.

Bank Name: _____

Bank Address: _____

NUBAN Account Number: _____

Shareholder's Full Name: _____
(Surname First)

Shareholder's Address: _____
(if address had changed, please indicate new address)

E-mail: _____

Mobile Phone: _____

CSCS CHN _____ CSCS A/C No. _____

Single Shareholder's Signature: _____

Joint Shareholder's Signature 1. _____

2. _____

If company,
Authorized Signatories 1. _____

2. _____

Company Seal: _____

Authorized Signature & Stamp Of Bankers: _____

Sort Code:

--	--	--	--	--	--	--	--	--	--

**e-DIVIDEND PAYMENT — One Stop
Solution to Unclaimed Dividend — Take
Advantage of It!**

Proxy Form

NATIONAL SALT COMPANY OF NIG. PLC
2014 ANNUAL GENERAL MEETING TO BE HELD
AT 11.00 A.M. PROMPT ON WEDNESDAY, 10TH JUNE,
2015 AT THE AGIP RECITAL HALL, MUSON CENTRE,
ONIKAN, LAGOS.



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 2014 Annual General Meeting of the Company to be held at 11.00 a.m. prompt on Wednesday, 10th June, 2015 and at any adjournment thereof.

Dated this day of 2015

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.



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

RESOLUTION	FOR	AGAINST
1. To lay before the members the Audited Financial Statements for the year ended 31st December 2014 along with the reports of the Directors, the report of the independent Auditors and the report of the Audit Committee thereon.		
2. To declare a Dividend.		
3. (i) To re-elect Directors retiring by rotation and also in accordance with section 249(2) of the Companies and Allied Matters Act approve Mr. Paul Farrer who was appointed as a Director since the last Annual General Meeting. (ii) The Directors retiring by rotation are Alhaji Abdu Dantata, Mr. Knut Ulvmoen and Alhaji Sani Dangote.		
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.		
SPECIAL BUSINESS 7. To determine the remuneration of the Directors for the year ending 31st December 2015.		
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.		

Admission Card

NATIONAL SALT COMPANY OF NIG. PLC
2014 ANNUAL GENERAL MEETING TO BE HELD AT 11.00 A.M. PROMPT
ON WEDNESDAY, 10TH JUNE, 2015 AT THE AGIP RECITAL HALL, MUSON CENTRE, ONIKAN, LAGOS.

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

Meristem Registrars Ltd.
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos



NATIONAL SALT COMPANY OF NIG. PLC.

RC: 11364

Power your
brain.
Take dietary iodine

Refined Iodized
Salt





NATIONAL SALT COMPANY OF NIG. PLC is a subsidiary of the DANGOTE GROUP



NATIONAL SALT COMPANY OF NIG. PLC.
INCORPORATED IN NIGERIA