

NATIONAL SALT COMPANY OF NIG. PLC

UNAUDITED

FINANCIAL STATEMENTS

SECOND QUARTER ENDED 30 JUNE, 2009

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 30 JUNE, 2009

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

1. BASIS OF ACCOUNTING

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

2. TURNOVER

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

3. FIXED ASSETS

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

DEPRECIATION:

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

Leasehold land and buildings	2%
Plant and Machinery	6 2/3%
Motor Vehicles	25%
Furniture and Fittings	20%
Tools and equipments	25%
Computer Equipment	33 1/3%

In the case of revalued properties, depreciation is calculated by reference to the enhanced value of the properties concerned. No depreciation is charged on fixed assets until they are brought into use.

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FOR THE FIRST QUARTER ENDED 30 JUNE, 2009

4. REPAIRS AND RENEWALS

All repairs and renewals are written off as incurred but major repairs are capitalised.

5. STOCKS AND WORK-IN-PROGRESS

Stocks are valued at lower of cost and net realisable value. Goods in -transit are valued at the invoice price. Cost of Stocks includes purchase cost, conversion cost (materials, Labour and overhead) and other costs incurred to bring inventory to its present location and condition.

6. FOREIGN CURRENCIES

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise.

Assets and Liabilities existing in foreign currencies are converted to Naira at the rates of exchange ruling at the balance sheet date. Gains or losses arising there-from are included in the profit and loss account.

7. DEBTORS

Bad debts are written off and specific provisions are made for those debts considered doubtful.

8. DEFERRED TAXATION

Provision is made by the liability method at the current rate of income tax on all timing differences between the treatment of certain items for accounting purposes and their treatment for taxation. Where there is a reasonable probability that there will be recurring differences which will ensure that the deferred tax will not materialize in the foreseeable future no provision is made.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 30 JUNE, 2009

9. LONG TERM INVESTMENTS

Long term investments are shown at cost.

10. EMPLOYEES RETIREMENT BENEFIT SCHEME

The company makes provision for retirement benefits in accordance with the Pension Reform Act of 2004. the contribution of the employer is ~~8.5~~ 7.5% while that of the employee is 7.5% of relevant emoluments.

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

NATIONAL SALT COMPANY OF NIG. PLC

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE, 2009

		30 JUNE 2009 N'000	30 JUNE 2008 N'000
Turnover	2	4,276,137	3,602,761
Cost of sales		<u>(2,775,567)</u>	<u>(2,510,617)</u>
Gross profit		1,500,570	1,092,144
Distribution and administrative expenses		<u>(483,099)</u>	<u>(332,627)</u>
Operating profit		1,017,471	759,517
Other income	3	<u>107,958</u>	<u>44,768</u>
Operating profit before interest payable		1,125,429	804,285
Interest payable and similar charges		<u>-</u>	<u>-</u>
Profit before taxation	4	1,125,429	804,285
Taxation	5	<u>(362,216)</u>	<u>(161,543)</u>
Profit after taxation transferred to revenue reserve	18	<u>763,213</u>	<u>642,742</u>
Earnings per share - Basic (Kobo)	6	<u>58</u>	<u>58</u>
Earnings per share - Adjusted/Diluted (Kobo)		<u>58</u>	<u>49</u>

The accounting policies on pages 2 to 4 and other explanatory notes on pages 7 to 16 form part of these financial statements.

NATIONAL SALT COMPANY OF NIG. PLC

BALANCE SHEET AS AT 30 JUNE, 2009

	Note	30 JUNE 2009 N'000	31 DEC 2008 N'000	30 JUNE 2008 N'000
FIXED ASSETS	8	2,156,121	1,937,810	1,617,382
INVESTMENTS		-	-	-
CURRENT ASSETS				
Stocks	10	683,441	728,030	600,369
Trade debtors	11	953,487	1,220,531	608,082
Other debtors and prepayments	12	103,439	109,327	160,850
Due from subsidiaries	28	65	-	242,766
Due from related Companies	28	-	471,407	-
Fixed Deposits		810,323	839,088	746,929
Commercial Paper		1,846,939	1,621,989	2,056,744
Bank and Cash balances		457,532	555,660	153,913
		<u>4,855,225</u>	<u>5,546,032</u>	<u>4,569,653</u>
CREDITORS: Amounts falling due within one year				
Bank loans and overdrafts	13	5,236	29,358	5,236
Trade creditors		770,454	1,414,710	336,967
Other creditors and accruals	14	236,716	1,197,033	1,065,213
Taxation		831,854	469,638	161,543
Due to related Companies	28	14,970	6,358	180,497
		<u>1,859,230</u>	<u>3,117,097</u>	<u>1,749,455</u>
NET CURRENT ASSETS		<u>2,995,995</u>	<u>2,428,935</u>	<u>2,820,198</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,152,117</u>	<u>4,366,745</u>	<u>4,437,580</u>
Deferred taxation		(305,679)	(305,679)	(176,679)
PROVISION FOR LIABILITIES AND CHARGES				
Gratuity	16	(195,695)	(173,535)	(146,461)
NET ASSETS		<u><u>4,650,743</u></u>	<u><u>3,887,531</u></u>	<u><u>4,114,440</u></u>
CAPITAL AND RESERVES				
Share capital	17	1,324,719	1,324,719	1,103,932
Share premium	18	434,037	434,037	434,037
Capital reserves		149,450	149,450	149,450
Revenue reserve	19	2,703,968	1,940,755	2,388,451
Debenture	20	38,570	38,570	38,570
		<u><u>4,650,743</u></u>	<u><u>3,887,531</u></u>	<u><u>4,114,440</u></u>

The financial statements on pages 2 to 16 were approved by the Board of Directors on and signed on its behalf by:

The accounting policies on pages 2 to 4 and other explanatory notes on pages 7 to 16 form part of these financial statements.

