



NATIONAL SALT COMPANY OF NIG. PLC. RC: 11364

15B, IKOSI ROAD, OREGUN - IKEJA, LAGOS.
TEL: +234-1-496-8285, 496-8286
D/LINE: 2712215, 2712212
FAX: 2712213, 2712214, CABLE DANGOTE LAGOS.
E-MAIL: dangote@dangote-group.com

UNAUDITED FINANCIAL STATEMENTS FIRST QUARTER ENDED 31 MARCH, 2010

DIRECTORS:

Alhaji Aliko Dangote - *(Chairman)*. Alhaji Sani Dangote, Olakunle Alake, Chief Chris .A. Atoki, Alhaji Abdu Dantata,
Alhaji Sada Ladan - Baki Knut Ulvmoen, Suleiman O. Olarinde, Ade Adeniji - *(Managing)*

NATIONAL SALT COMPANY OF NIG PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 31 MARCH, 2010

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.

NATIONAL SALT COMPANY OF NIG PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 31 MARCH, 2010

4. FINANCE LEASE

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

5. REPAIRS AND RENEWALS

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

6. STOCKS AND WORK-IN-PROGRESS

Stocks are valued at lower of cost and net realisable value. 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.

7. FOREIGN CURRENCIES

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

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

8. DEBTORS

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

9. 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.

NATIONAL SALT COMPANY OF NIG PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 31 MARCH, 2010

10. LONG TERM INVESTMENTS

Long term investments are shown at cost.

11. 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% 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.

12. TAXATION

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

13. PROVISION

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

NATIONAL SALT COMPANY OF NIG. PLC

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31 MARCH 2010

	Note	31 MARCH 2010 N'000	31 MARCH 2009 N'000
Turnover	2	2,004,681	2,323,367
Cost of sales		<u>(1,398,786)</u>	<u>(1,547,212)</u>
Gross profit		605,896	776,155
Distribution and administrative expenses		<u>(196,735)</u>	<u>(241,052)</u>
Operating profit		409,161	535,102
Other income	4	<u>659</u>	<u>900</u>
Operating profit before interest payable		409,820	536,002
Interest payable and similar charges		<u>37,320</u>	<u>19,554</u>
Profit before taxation	5	447,139	555,556
Taxation	6	<u>(143,085)</u>	<u>(177,778)</u>
Profit after taxation transferred to revenue reserve	19	<u><u>304,055</u></u>	<u><u>377,779</u></u>
Earnings per share - Basic (Kobo)	7	<u>46</u>	<u>57</u>
Earnings per share - Adjusted (Kobo)		<u>46</u>	<u>57</u>

The accounting policies on pages 2 to 4 and other explanatory notes on pages 8 to 16 form part of these financial statements.

