



NATIONAL SALT COMPANY OF NIG. PLC. RC: 11364

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UNAUDITED FINANCIAL STATEMENTS HALF YEAR ENDED 30 JUNE, 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)*

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 30 JUNE, 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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FIRST QUARTER ENDED 30 JUNE, 2010

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, 2010

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 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, 2010

| | | 30 JUNE 2010 N'000 | 30 JUNE 2009 N'000 |
|---|----|--------------------------|--------------------------|
| Turnover | 2 | 4,069,190 | 4,276,137 |
| Cost of sales | | (2,956,031) | (2,775,567) |
| Gross profit | | 1,113,159 | 1,500,570 |
| Distribution & administrative expenses | | (373,923) | (483,099) |
| Other income | 3 | 67,091 | 107,958 |
| Operating profit before interest payable | | 806,327 | 1,125,429 |
| Interest payable and similar charges | | (5,811) | - |
| Profit before taxation | 4 | 800,516 | 1,125,429 |
| Taxation | 5 | (259,528) | (362,216) |
| Profit after taxation transferred to revenue reserve | 18 | <u>540,988</u> | <u>763,213</u> |
| Earnings per share - Basic (Kobo) | 6 | <u>41</u> | <u>58</u> |
| Earnings per share - Adjusted/Diluted (Kobo) | | <u>41</u> | <u>58</u> |

NATIONAL SALT COMPANY OF NIG. PLC

BALANCE SHEET AS AT 30 JUNE, 2010

| | | 30 JUNE 2010 N'000 | 31 DEC 2009 N'000 | 30 JUNE 2009 N'000 |
|---|----|--------------------------|-------------------------|--------------------------|
| FIXED ASSETS | 8 | <u>2,956,905</u> | <u>2,907,900</u> | <u>2,156,121</u> |
| CURRENT ASSETS | | | | |
| Stocks | 10 | 749,534 | 883,229 | 683,441 |
| Trade debtors | 11 | 1,088,038 | 1,285,669 | 953,487 |
| Other debtors and prepayments | 12 | 1,241,355 | 676,257 | 103,439 |
| Due from holding company | 28 | 267,312 | - | - |
| Due from related Companies | 28 | 45 | 45 | 65 |
| Commercial Paper | | 1,105,178 | 1,642,051 | 1,846,939 |
| Bank and Cash balances | 21 | <u>1,550,351</u> | <u>759,856</u> | <u>1,267,855</u> |
| | | <u>6,001,813</u> | <u>5,247,107</u> | <u>4,855,225</u> |
| CREDITORS: Amounts falling due within one year | | | | |
| Bank loans and overdrafts | 13 | 5,461 | 8,528 | 5,236 |
| Trade creditors | | 156,545 | 179,751 | 770,454 |
| Other creditors and accruals | 14 | 1,174,052 | 692,355 | 236,716 |
| Taxation | | 1,024,141 | 764,613 | 831,854 |
| Due to holding company | | 666,772 | 1,143,697 | - |
| Due to related Companies | 28 | <u>13,344</u> | <u>11,863</u> | <u>14,971</u> |
| | | <u>3,040,315</u> | <u>2,800,807</u> | <u>1,859,230</u> |
| NET CURRENT ASSETS | | <u>2,961,497</u> | <u>2,446,300</u> | <u>2,995,996</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>5,918,402</u> | <u>5,354,200</u> | <u>5,152,117</u> |
| Deferred taxation | | (458,437) | (458,437) | (305,679) |
| CREDITORS: Amounts falling due within one year | | | | |
| Debenture loan | | (38,570) | (38,570) | (38,570) |
| PROVISION FOR LIABILITIES AND CHARGES | | | | |
| Gratuity | 16 | <u>(248,876)</u> | <u>(225,661)</u> | <u>(195,695)</u> |
| NET ASSETS | | <u>5,172,519</u> | <u>4,631,532</u> | <u>4,612,173</u> |
| CAPITAL AND RESERVES | | | | |
| Share capital | 17 | 1,324,719 | 1,324,719 | 1,324,719 |
| Share premium | 18 | 434,037 | 434,037 | 434,037 |
| Capital reserves | | 149,450 | 149,450 | 149,450 |
| Revenue reserve | 19 | <u>3,264,314</u> | <u>2,723,326</u> | <u>2,703,968</u> |
| | | <u>5,172,519</u> | <u>4,631,532</u> | <u>4,612,173</u> |

