

NATIONAL SALT COMPANY OF NIGERIA PLC

**FIRST QUARTER INTERIM UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013**

NATIONAL SALT COMPANY OF NIGERIA PLC

FIRST QUARTER UNAUDITED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2013

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NATIONAL SALT COMPANY OF NIGERIA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2013

	Note	31/3/2013 N'000	31/3/2012 N'000	31/12/2012 N'000
Continiung Operations				
Revenue	5	2,781,656	3,690,561	13,414,185
Cost of sales	6	<u>(1,537,180)</u>	<u>(2,435,988)</u>	<u>(8,323,191)</u>
Gross profit		1,244,476	1,254,573	5,090,995
Investment income	8	50,675	53,067	268,490
Other income	9	88	978	415
Distribution expenses		(35,191)	(61,027)	(245,012)
Administrative expenses	7	(247,996)	(241,584)	(1,070,604)
Interest expense	10	<u>(1,981)</u>	<u>(1,676)</u>	<u>(7,947)</u>
Profit before tax		1,010,072	1,004,331	4,036,338
Income tax expense	11	<u>(323,223)</u>	<u>(321,386)</u>	<u>(1,270,030)</u>
Profit for the year from continiung operation		<u>686,849</u>	<u>682,945</u>	<u>2,766,308</u>
Discontinued Operation				
Loss from discontinued operation				-
Other comprehensive income				
Acturial gains (net of tax)	11	<u>-</u>	<u></u>	<u>1,407</u>
Total comprehensive income for the year		<u>686,849</u>	<u>682,945</u>	<u>2,767,715</u>
Earnings per share				
Basic & Diluted (kobo)		104	103	104

NATIONAL SALT COMPANY OF NIGERIA PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	31/3/2013 N'000	Year ended 31/12/12 N'000
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	14	4,691,117	3,642,570
Other assets	15	20,213	23,888
Deferred tax assets			-
Total non-current assets		4,711,330	3,666,458
<i>Current assets</i>			
Inventories	16	444,828	910,321
Trade and other receivables	17	2,091,916	2,005,735
Other assets	15	117,200	40,945
Cash and bank balances	18	4,689,008	4,066,082
Total current assets		7,342,952	7,023,083
Total assets		12,054,282	10,689,542
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	19	1,324,719	1,324,719
Share premium	20	434,037	434,037
Retained earnings	21	5,505,674	4,818,825
Total equity		7,264,430	6,577,581
<i>Non-current liabilities</i>			
Borrowings	22	38,570	38,570
Retirement benefit obligation	24.4	512,961	516,267
Deferred tax liabilities	11	180,002	180,002
Total non-current liabilities		731,533	734,839
<i>Current liabilities</i>			
Bank overdraft	18	5,236	5,236
Trade and other payables	23	2,280,113	1,922,139
Current tax liabilities	11	1,772,970	1,449,747
Total current liabilities		4,058,320	3,377,122
Total liabilities		4,789,853	4,111,961
Total equity and liabilities		12,054,282	10,689,542

The financial statements were approved by the board of directors and authorised for issue on 31 May, 2013

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..... } Directors

NATIONAL SALT COMPANY OF NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2012	1,324,719	434,037	4,818,825	6,577,581
Transfer to retained earnings upon transition	-	-	-	-
	1,324,719	434,037	4,818,825	6,577,581
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Net change in defined benefit plan	-	-	-	-
Surplus released on asset disposed	-	-	-	-
Payment of dividends	-	-	-	-
Balance at 31 Dec, 2012	1,324,719	434,037	4,818,825	6,577,581
Profit for the period	-	-	686,849	686,849
Other comprehensive income for the period	-	-	-	-
Other adjustment	-	-	-	-
Total comprehensive income	-	-	-	-
Payment of dividends	-	-	-	-
Balance at 31 March 2013	-	-	5,505,674	7,264,430

NATIONAL SALT COMPANY OF NIGERIA PLC

STATEMENT OF CASH FLOW AS AT 31 MARCH 2013

	Note	31/3/2013 N'000	2012 N'000
Cash flows from operating activities			
Cash receipt from customers		2,845,076	13,509,492
Cash paid to suppliers and employees		(1,135,981)	(9,452,397)
		1,709,095	4,057,095
Value added tax paid		12,357	12,357
Tax paid		-	(829,433)
Net cash provided by operating activities		1,721,452	3,240,019
Cash flows from investing activities			
Purchase of PPE		(1,147,221)	(1,012,055)
Proceed from sale of PPE			-
Interest received		50,675	203,250
Net cash provided by investing activities		(1,096,546)	(808,805)
Cash flows from financing activities			
Dividend paid		-	(1,854,607)
Interest paid		(1,981)	(7,947)
Net cash provided by financing activities		(1,981)	(1,862,554)
Net Increase/(decrease) in cash and cash equivalents		622,926	568,660
Cash and cash equivalents at 1 January		4,066,082	3,497,422
Cash and cash equivalents at 31 March		4,689,008	4,066,082

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

5 Revenue

The following is the analysis of the entity's revenue for the year from continuing operations (excluding investment income- see note 8)

	31/3/2013	31/3/2012	2012
	N'000	N'000	N'000
Revenue from sale of edible/industrial salt	2,501,795	3,345,110	12,144,691
Freight income	<u>279,861</u>	<u>345,451</u>	<u>1,269,494</u>
	<u>2,781,656</u>	<u>3,690,561</u>	<u>13,414,185</u>

5.1 The amount represents revenue realised during the year on the sale of Edible, Refined, Bulk and Industrial salt.

5.2 Information about major customers

These are leading blue chip companies in Nigeria, and they include manufacturers of confectioneries seasonings, refined edible oil, processed leather, noodles, cement, and oil industries. They buy industrial salts of different grades and specifications.

5.3 The company provides a freight services to customers by transporting refined salt purchased to their destination. 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.

6 Cost of Sales	31/3/2013	31/3/2012	2012
	N'000	N'000	N'000
Direct material cost	747,379	1,354,544	4,296,126
Direct labour cost	107,350	118,840	520,374
Direct overhead	229,244	344,359	1,591,572
External Haulage	303,257	419,020	1,215,284
Depreciation	82,189	127,457	374,538
Carriage	49,487	58,823	264,740
Loading	<u>18,274</u>	<u>12,944</u>	<u>60,557</u>
	<u>1,537,180</u>	<u>2,435,987</u>	<u>8,323,191</u>

7 Administrative Expenses

Directors remuneration	14,491	7,433	43,083
Salaries & related staff costs	89,418	70,166	390,880
Management fee	58,077	78,545	283,190
Depreciation	10,185	8,000	33,919
Impairment loss	-	-	56,675
Utilities	2,279	1,806	158,639
AGM Expenses	5,000	7,500	26,370
Audit fee	3,000	2,250	9,900
Legal and professional fees	11,902	10,196	37,536
Others	<u>53,644</u>	<u>55,688</u>	<u>30,410</u>
	<u>247,996</u>	<u>241,584</u>	<u>1,070,602</u>

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

8 Investment income

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
Rental income:			
OTA warehouse	-		65,240
Interest income:			
Bank deposits	2,593	41	489
Fixed deposits	45,295	2,906	37,630
Commercial paper	2,788	50,120	165,131
	<u>50,675</u>	<u>53,067</u>	<u>268,490</u>

8.1 Rental income relates to income earned from DIL logistics with respect to warehouse service rendered to them. DIL Logistics uses NASCON OTA warehouse in keeping custody of its truck.

8.2 The interest income on bank deposits were earned at the average rate of 10%per annum

9 Other Income

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
Sale of scrap	28	938	-
Gain (loss) on disposal of asset	-	-	-
Non-refundable deposit from suppliers	60	40	415
	<u>88</u>	<u>978</u>	<u>415</u>

10 Finance Cost

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
Bank charges	1,981	1,676	7,947
	<u>1,981</u>	<u>1,676</u>	<u>7,947</u>

NATIONAL SALT COMPANY OF NIG. PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013**

11 Taxation

11.1 Income tax recognised in profit or loss

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
Current tax			
Current tax expense	303,022	301,299	1,352,584
Education tax	20,201	20,087	97,163
Adjustment for prior periods			-
	<u>323,223</u>	<u>321,386</u>	<u>1,449,747</u>
Deferred tax			
Deferred tax expense	-	-	(179,717)
	<u>-</u>	<u>-</u>	<u>(179,717)</u>
Total income tax recognised in current year	<u>323,223</u>	<u>321,386</u>	<u>1,270,030</u>

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
11.2 Current tax assets and liabilities			
Income tax payable	<u>1,772,970</u>	<u>1,179,735</u>	<u>1,449,747</u>
	<u>1,772,970</u>	<u>1,179,735</u>	<u>1,449,747</u>

11.3 Movement in tax payable account

Balance, beginning of the year	1,449,747	858,349	858,349
Charge for the year	323,223	321,386	1,449,747
Payment made during the year.	-		(829,433)
Over provision in prior year			(28,916)
Utilisation of withholding tax credits	-		-
Balance, end of the year	<u>1,772,970</u>	<u>1,179,735</u>	<u>1,449,747</u>

11.4 Deferred tax balance

Deferred tax liabilities	<u>180,002</u>	<u>359,057</u>	<u>180,002</u>
	<u>180,002</u>	<u>359,057</u>	<u>180,002</u>

11.4.1 Movement in deferred tax payable account

Balance, beginning of the year	180,002	359,057	359,057
Charge/(write-back) for the year	-	-	(179,055)
Discontinued operation	-	-	-
Balance, end of year	<u>180,002</u>	<u>359,057</u>	<u>180,002</u>

11.4.2 Deferred tax effect on actuarial gain

	31/3/2013 N'000	31/3/2012 N'000	2012 N'000
tax			
Gross gain	-	-	2,069
Deferred tax charge	-	-	(662)
	<u>-</u>	<u>-</u>	<u>1,407</u>

Deferred tax as at 31 December 2012 was as a result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances

NATIONAL SALT COMPANY OF NIGERIA PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013**

12 Profit for the year from continuing operations

	31/3/2013	31/3/2012	31 Dec
	N'000	N'000	2012
			N'000
Profit for the year is arrived after charging/(crediting) the following:			
Depreciation expense	98,676	136,734	548,127
Impairment Loss on trade receivables	-	-	44,469
Management fee	58,077	78,547	283,190
Director's remuneration	8,491	13,822	43,083
Staff gratuity scheme - current service cost	-	14,319	90,337
Secretarial & other professional fees	11,902	10,196	37,536
Staff cost	91,410	65,171	262,556
Provision for bad & doubtful debts	-	-	56,675
Auditor's remuneration	3,000	2,250	13,000

12.1 Discontinued operations

In 2011, the Company discontinued the importation of processed tomato paste which had been its supplementary product since 2007. This is in line with the long term plan of the Company to commence the actual manufacturing of the same product in Nigeria. To this end, it has invested in the acquisition of equipments which are currently warehoused in its Otta location while the plant for the new business line is still under construction. The investments so far in the new business is recorded in the Company's capital work in progress.

Analysis of the profit for the year from discontinued operations

The result of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current year.

Loss for the year from discontinued operations

	31/3/2013	31/3/2012	31 Dec
	N'000	N'000	2012
			N'000
Revenue	-	-	64,898
Other gains	-	-	-
Expenses	-	-	(89,327)
Profit before tax	-	-	(24,429)
Attributable income tax expense	-	-	-
Loss for the year from discontinued operations	-	-	(24,429)

13 Earnings per share

	31/3/2013	31/3/2012	31 Dec
	N'000	N'000	2012
			N'000
Profit for the year attributable to the owners of the Company	686,849	682,945	2,766,308
Earnings used in the calculation of basic earnings per share	686,849	682,945	2,766,308
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,649,438	2,649,438	2,649,438
Basic & Diluted earnings per share (kobo)			
From continuing operations	104	103	104

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013

14 Property Plant and equipment

	BUILDING N'000	PLANT & MACHINERY N'000	TOOLS & EQUIPMENT N'000	MOTOR VEHICLES N'000	COMPUTER EQUIPMENT N'000	FURNITURE & FITTINGS N'000	CAPITAL WORK-IN- PROGRESS N'000	Total N'000
COST:								
Balance as at 1/1/2013	414,811	1,852,904	11,693	1,815,636	35,831	50,398	1,302,800	5,484,074
Additions	-	-	1,924	9,827	273	252	1,134,945	1,147,221
Disposal	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
Adjustments							-	-
Balance at 31 March 2013	<u>414,811</u>	<u>1,852,904</u>	<u>13,617</u>	<u>1,825,463</u>	<u>36,104</u>	<u>50,650</u>	<u>2,437,746</u>	<u>6,631,295</u>
Accumulated depreciation and impairment								
Balance at 1 January 2013	84,213	552,253	9,914	1,127,924	27,929	39,269	-	1,841,502
Charge for the year	2,074	32,804	432	61,173	1,200	994	-	98,676
Eliminated on disposal				-				-
Adjustment		-	-					
Impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Depreciation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Balance at 31 March 2013	<u>86,287</u>	<u>585,057</u>	<u>10,346</u>	<u>1,189,097</u>	<u>29,129</u>	<u>40,263</u>	<u>-</u>	<u>1,940,178</u>
Carrying amount								
At 31 March 2013	<u>328,524</u>	<u>1,267,847</u>	<u>3,271</u>	<u>636,367</u>	<u>6,975</u>	<u>10,387</u>	<u>2,437,746</u>	<u>4,691,117</u>
At 31 March 2012	<u>330,635</u>	<u>1,271,875</u>	<u>2,560</u>	<u>995,389</u>	<u>7,129</u>	<u>12,868</u>	<u>985,143</u>	<u>3,605,599</u>
At 31 December 2012	<u>330,598</u>	<u>1,300,651</u>	<u>1,779</u>	<u>687,712</u>	<u>7,901</u>	<u>11,129</u>	<u>1,302,800</u>	<u>3,642,574</u>

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14.1 Work-in-progress

Work-in-progress comprises of construction of a seasoning factory, palm oil plant .

14.2 Freehold land and buildings carried at revalued

Some properties located at Otta & Apapa/Calabar were professionally valued at N192.4 million by Messrs Dan Odiete & Co. (Estate Surveyors , Valuers and Real Estate Consultants) on 22nd November 1994 and N760.3million by Alagbe & Partners (Estate Surveyors and Valuers) in July 2002 respectfully on the basis of the open market capital value. The surplus of N149.5m arising from the revaluation was credited to Revaluation Reserve Account but transferred to retained earnings on transition to IFRS

14.3 Assets pledged as security

No asset was pledged as security as at 31 March, 2013 (2012 :Nil)

14.4 Capital commitments

The company's total capital commitments as at 31 March, 2013 amounted to N2.438billion (2012 : N1.302billion) in respect of the new factories for tomato paste, seasoning and vegetable oil

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

15 Other assets

		31/3/2013	2012
		N'000	N'000
Prepayments:			
Rent		96,220	45,823
Insurance		5,068	-
SAP implementation	15.1	20,502	-
Others	15.2	15,623	19,010
		137,414	64,833
Current		117,200	40,945
Non-current		20,213	23,888
		137,413	64,833

15.1 Amount represents deposit for installation and implementation of SAP ERP

15.2 Amount represents deposit for diesel used to power the company's equipments

16 Inventories

	31/3/2013	2012
	N'000	N'000
Raw materials	129,246	687,822
Finished goods	172,598	85,369
Spare parts and consumables	50,890	63,190
Packaging Materials	71,905	59,333
Oil and Lubricants	20,188	14,607
	444,828	910,321

16.1 The cost of inventories recognised as an expense during the period in respect of continuing operations was N1.5bn (31 Mar, 2012: N2.4bn)

16.2 There was no write-down or reversals of previous write-down of inventory during the period

16.3 The provision for obsolete spares to spares for which the associated equipments are already written off in previous years and thus no more in operations and because they are specialised spares have no significant alternative use

Movement in stock of spares

	31/3/2013	2012
	N'000	N'000
Cost	106,347	118,647
Allowance for obsolete spares	(55,457)	(55,457)
	50,890	63,190

16.4 No inventory was pledged as security for any liability

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

17 Trade and other receivables

		31/3/2013	2012
		N'000	N'000
Trade debtors		993,381	1,056,715
Allowance for bad and doubtful debts		<u>(791,671)</u>	<u>(791,671)</u>
		201,711	265,044
Staff loans and advances	17.6	133,479	86,273
Rebate receivable from suppliers	17.3	1,105,625	1,085,665
Advance to suppliers of services		129,292	46,722
Advance to transporters	17.4	209,660	188,552
Insurance claim receivable		15,623	15,623
VAT receivable		27,016	27,016
Related party receivables	27	<u>285,133</u>	<u>306,462</u>
		2,107,540	2,021,358
Allowance for doubtful Insurance claim receivable		<u>(15,623)</u>	<u>(15,623)</u>
		<u>2,091,916</u>	<u>2,005,735</u>
		1,890,205	1,740,691

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

17.2 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 judgement 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 Credit sales are made subject to observation of all credit approval procedures.

17.3 Amount relates to net adjustment of estimated transaction amount and the actual invoice amount in respect of transactions involving the importation of raw salt by the Company's main supplier

17.4 The Company provides haulage services to his major customers in order to facilitate patronage. To achieve this, the Company patronises transport companies and to sustain commitment, sometimes pays

17.5 Amount relates to advance payment made to suppliers for provision of services for which benefits has not been received as at year end. Some vendors are being paid in advance.

17.6 Amount relates to loans and advances to employees of the company which mainly are due within one year. The amount paid as housing allowance upfront is included in the current figure (31 Dec, 2013 - N/A)

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

17.7 Trade receivables

Average credit period	30 Days	30 Days
Interest on receivables	N/A	N/A
allowance for doubtful debts	360 Days	360 Days
customer credit qualification criteria		

Movement in allowance for doubtful debts

Balance at beginning of the year	791,646	742,467
Impairment losses recognised on receivables	-	108,075
Amounts written off during the year as uncollectible	-	-
Amounts recovered during the year	-	(58,896)
Impairment losses reversed	-	-
Foreign exchange translation gain and losses	-	-
Unwind of discount	-	-
Balance at end of the year	791,646	791,646

In determining the recoverability of a trade receivable, the entity 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.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to N791m (31 December 2011:N742m) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The entity does not hold any collateral over these balances.

Age of impaired trade receivables

less than 90 days		
91-180 days	49,204	49,204
181-360 days	742,442	742,442
360+ days	<u>791,646</u>	<u>791,646</u>

18 CASH AND CASH EQUIVALENTS

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

	31/3/2013 N'000	2012 N'000
Cash in hand	2,919	1,921
Bank balance	1,202,162	967,825
Short term deposits	<u>3,483,927</u>	<u>3,096,336</u>
	4,689,008	4,066,082
Bank overdrafts	<u>(5,236)</u>	<u>(5,236)</u>
	<u>4,683,771</u>	<u>4,060,846</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013**

18.1 Short term deposits comprise of commercial papers and term deposits as shown below:

	Rate	Amortised cost
		N000
Access bank fixed deposits	10% -12%	<u>240,000</u>
UBA fixed deposits	9.5% - 12%	<u>915,000</u>
Zenith bank fixed deposits	9.75% - 12%	<u>300,000</u>
GTBank fixed deposits	8%	<u>20,000</u>
Ecobank fixed deposits	8.3%-10%	338,529
DIL Commercial papers	10%	<u>1,670,398</u>
		<u>3,483,927</u>
		3,483,927

Commercial papers and fixed deposits have interest rates ranging from 8% to 12% respectively and 90 days maturity period

The company does not have restricted cash

18.2 Bank overdraft relates to outstanding debts with some Nigerian defuncts bank

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

19 Issued capital

	31/3/2013 N'000	2012 N'000
Share capital	<u>1,324,719</u>	<u>1,324,719</u>
	<u>1,324,719</u>	<u>1,324,719</u>
Issued capital comprises:		
Authorised	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid	<u>1,324,719</u>	<u>1,324,719</u>

20 Share Premium

1995 :Rights issue 65,846,667 ordinary shares of 50k each issued at N2.84 premium	156,793	156,793
2007: Share Conversion	404,303	404,303
Less Deferred charges written off	(127,059)	(127,059)
	<u>434,037</u>	<u>434,037</u>

21 Retained earnings

	31/3/2013 N'000	2012 N'000
At 1 January	4,818,825	3,905,800
Dividend declared and paid		(1,854,607)
Profit for the year	686,849	2,767,715
Adjustment 21.2	<u></u>	<u>(83)</u>
At 31 December	<u>5,505,674</u>	<u>4,818,825</u>

21.1 At the Annual General Meeting held on 31st May 2012, the shareholders approved that dividend of 70k be paid to shareholders (total value N1.854billion) for the year ended 31 December 2011. In respect of year 2012, the Directors propose that a dividend of 90k_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 N2.385billion

21.2 Adjustmet relates to recognition of under provision for Company income tax for 2011.

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

21.3 Dividend

	31/3/2013 N'000	2012 N'000
Summary		
At 1 January		-
Dividend declared	-	1,854,607
	-	1,854,607
Payments - Meristem Registrars	-	(1,854,607)
At 31 March	-	-

Government grant

	31/3/2013 N'000	2012 N'000
22 Unsecured borrowing at amortized cost		
Debenture	38,570	38,570

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.

23 Trade and other payables

	31/3/2013 N'000	2012 N'000
Trade creditors	307,631	225,077
Other creditors and accruals	683,801	748,797
Value added tax	14,659	14,659
Customers deposit	1,008,371	630,727
Withholding tax payable	21,590	21,635
PAYE	2,164	108
Staff pension	4,178	
Related party payables	237,718	281,136
	2,280,113	1,922,139

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

23.1 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.

23.2 Customer's deposit

	31/3/2013 N'000	2012 N'000
New deposits	1,008,371	630,835
At 31 March	<u>1,008,371</u>	<u>630,835</u>

Customers' deposits relates to amount deposited by customers for which delivery has not been made during the period. Most of the customers often pay in advance

23.3 Staff pension

	31/3/2013 N'000	2012 N'000
At 1 January	(0)	10,842
Contributions during the year	12,647	49,668
Remittance in the year	<u>(8,469)</u>	<u>(60,510)</u>
At 31 March	<u>4,178</u>	<u>(0.00)</u>

The only obligation of the company with respect to the pension scheme is to make the specified contributions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013**

24 Retirement benefit obligation
24.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for its non-permanent 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 2004 with the employee and employer contribution 7.5% of the employee's relevant emoluments.

The total expense recognised in profit or loss of N12.6m (2012:N24.8M) represents contributions payable to this plan by the company as at 31st March, 2013. N4.2m due in respect of the 2013(2012) reporting period had not been paid over to the plan. The amount was paid subsequent to the end of the reporting period.

24.2 Defined benefit plans

The entity operates a defined benefit for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration. The basis of the computation is stated as below:

Less than 5year	Nil
5yr but less than 10years	100% of Annual gross salary for each year served divided by 10
10year but less than 15years	120% of Annual gross salary for each year served divided by 10
15years and above	150% of Annual gross salary for each year served divided by 10

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2012 by HR Nigeria limited. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected Unit Credit Method

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Financial Assumptions
Demographic Assumptions

24.2.1 Financial Assumptions

The principal financial assumptions used for the purposes of the actuarial valuations were as follows.

	31 March, 2003	<u>as at 2012</u>
		%
Long term average Discount rate (p.a)	-	13
Average Pay Increase (p.a)	-	12
Average rate of inflation (p.a)	-	10

NOTES TO THE FINANCIAL STATEMENTS
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24.3 Demographic assumptions

Mortality in Service

The rates of mortality assumed for employess are the rates published in the A67/70 tables, published jointly by

Sample age	deaths in a year of age out of
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age band	Rate (%)
Less than or equal to 30	3.0
31-39	4.0
40-44	2.0
45-50	1.0
51-60	0.0

24.4 Movement in gratuity

	31/3/2013 N'000	2012 N'000
Balance as at 1 January	516,267	430,155
Current Service cost		121,340
Actuarial (Gains)/Losses - Change in assumption		(1,687)
Benefits paid out	(3,306)	(33,541)
Balance as at 31 March	512,961	516,267

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

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

	2013 N'000	2012 N'000
Current Service cost	-	121,340
Interest Cost	-	-
Past Service cost	-	-
Curtailment (Gains)	-	(1,687)
Expected Return on Plan asset	-	-
Net (Gain)/Charge	-	119,653

The expense for the period is included in the employee benefit expense in profit or loss for the year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

25 Reconciliation of net income to net cash provided by operating activities

	31/3/2013 N'000	2012 N'000
Profit after tax	686,849	2,767,715
Adjustments to reconcile profit after tax to net cash provided		
Depreciation	98,676	548,127
Interest payable and similar charges	1,981	7,947
Interest receivable and similar income	(50,675)	(203,250)
Asset impaired		128,863
Adjustment to fixed assets		-
Changes in assets and liabilities		
(Increase)/decrease in inventory	465,493	(65,063)
(Increase)/decrease in Trade and Other receivab	(86,181)	(255,655)
(Increase)/decrease in amounts due from related	-	
Decrease/(increase) in other assets - short term	(76,255)	577,247
Decrease/(increase) in other assets - long term	3,675	4,595
Decrease in trade and other payables	357,974	(768,880)
Increase/(decrease) in due to related companies	-	
Increase/(decrease) in retirement benefit obligati	(3,306)	86,112
Increase in Gratuity	-	
Increase/(decrease) in deferred tax	(0)	(179,055)
Increase/(decrease) in tax payable	323,223	591,316
Total adjustments	<u>1,034,605</u>	<u>472,304</u>
Net cash provided by operating activities	<u><u>1,721,454</u></u>	<u><u>3,240,019</u></u>

26 Risk management

Risk management roles and responsibilities are assigned to stake holders 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 (EXCOM)

The third level is performed by all line managers under EXCOM 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 frame work. 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 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.

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

26.1 Capital Risk Management

The capital structure of the company consists of debt, which includes the borrowings disclosed in, 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

The company is not subject to any externally imposed capital requirements.

26.1.1 Gearing ratio

The gearing ratio at the year end is as follows

	31/3/2013 N'000	31/3/2012 N'000
Debt	5,236	5,236
Equity	7,264,430	6,577,581
Net debt to equity ratio	0.07%	0.08%

Debt is defined as long- and short-term borrowings (bank overdraft inclusive) , while equity includes all capital and reserves of the company. The gearing ratio increased over the years indicating increase in the company's debt profile relative to equity.

26.1.2 Categories of financial instruments 31 Mar, 2013

	Loans and receivables	Non- financial assets	Total
	N'000	N'000	N'000
Assets			
Trade and other receivables	1,752,964	338,952	2,091,916
Cash and cash equivalents	4,063,163	2,919	4,066,082
	5,816,127	341,871	6,157,998
Liabilities			
	At amortised cost	Non - financial liability	Total
Trade and other payables	1,596,313	683,801	2,280,113
Employee Benefits	512,961	-	512,961
	2,109,274	683,801	2,793,074

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013

	31 Dec, 2012		
	Loans and receivables	Non- financial assets	Total
	N'000	N'000	N'000
Assets			
Trade and other receivables	1,770,462	235,274	2,005,736
Cash and cash equivalents	4,058,925	1,921	4,060,846
	<u>5,829,387</u>	<u>237,195</u>	<u>6,066,582</u>
Liabilities	At amortised cost	Non - financial liability	Total
Trade and other payables	1,173,342	748,797	1,922,139
Employee Benefits	516,267		516,267
	<u>1,689,609</u>	<u>748,797</u>	<u>2,438,406</u>

26.1.3 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

26.2 Financial risk management objectives

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

26.3 Interest rate risk management

The company is exposed to interest rate risk on fixed deposits placed with the banks. The risk is managed by the company by negotiating income interest rates and benchmarking with other financial institutions. The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

26.4 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	
	2013	2012	2013	2012
	N'000	N'000	N'000	N'000
Financial Asset				
Trade and other receivables	2,091,916	2,005,735	-	-
Cash and cash equivalents	4,683,771	4,060,846		
Financial Liabilities				
Bank Loans (Overdrafts)	5,236	5,236	-	-
Trade and Other Payables	2,280,113	1,922,139	-	-
Employee Benefit	512,961	516,267		
Government Grant	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.

26.5 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.

26.5.1 Trade Receivable

Concentration of risk

About 23% 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 analysed at each reporting date on an individual basis for corporate and individual customers.

26.5.2 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 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.

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

26.5.3 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:

	31/03/2013	31/12/2012
	N'000	N'000
Trade Receivables	201,711	265,044
Other Receivable	2,091,916	2,005,735
Short Term Deposits	3,483,927	3,096,336
Amount due from related party	285,133	306,462
	<u>6,062,686</u>	<u>5,673,578</u>

26.6 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.

26.6.1 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 Group 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 Group may be required to pay.

	3 months to 1year N'000	1-5 Years N'000	Total N'000
31st March, 2013			
Borrowings	-	38,570	38,570
	<u>-</u>	<u>38,570</u>	<u>38,570</u>
31st Decemebr 2012			
Borrowings	-	38,570	38,570
	<u>-</u>	<u>38,570</u>	<u>38,570</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

27 Intercompany receivables

	31/3/2013 N'000	31/3/2012 N'000
<i>Parent and ultimate controlling party</i>		
Dangote Industries Limited (Parent)	136,450	169,865
Allowance for doubtful debt		
	<u>136,450</u>	<u>169,865</u>
<i>Other related party receivables</i>		
Dangote Pasta Limited	6,938	6,939
Dangote Sugar Refineries	43,322	25,997
DIL Flour Mills, Apapa	-	7,471
Dangote Noodles Limited	11,847	8,351
Dansa Foods Limited	2,546	-
Dangote Cement	15,372	16,613
Agrosack Ltd		
Dangote Transport		
Dangote Logistic	67,863	67,863
Dangote Foundation	794	996
Provison for doubtful related party receivables	-	
	<u>148,682</u>	<u>134,230</u>
	<u>285,133</u>	<u>304,095</u>

27.4 Identity of related parties

Related parties

Dangote Transport Limited
Dangote Sugar Refinery Plc

Dansa Foods Limited

Nature of related party

Fellow subsidiary company
Fellow subsidiary company
that buys industrial sugar
An entity controlled by a
key management

Dangote Flour Mills Plc	Fellow subsidiary -Supplies
Dangote Pasta Limited	Fellow subsidiary -
Dangote Industries Limited (see note 15.	Parent company that
Dangote Noodles Limited	Fellow subsidiary -
Dangote Agrosacks	Fellow subsidiary- Supplies empty sacks for bagging
Green view Development Company Limite	Fellow subsidiary -
Benue Cement	Fellow subsidiary-Truck
DANCOM	Fellow subsidiary-Provider
Dangote Cement Plc	Fellow subsidiary -
Obajana Cement	Fellow subsidiary -
Dangote Logistics	Fellow subsidiary-Uses

NATIONAL SALT COMPANY OF NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2013

27.5 Identity of related parties

<u>Related parties</u>	<u>Nature of related party transactions</u>
Dangote Transport Limited	Fellow subsidiary company that provides haulage services
Dangote Sugar Refinery Plc	Fellow subsidiary company that buys industrial sugar
Dansa Foods Limited	An entity controlled by a key management personnel of the Company that has trading relationship with the
Dangote Flour Mills Plc	Fellow subsidiary -Supplies of power
Dangote Pasta Limited	Fellow subsidiary -Exchange of AGO LPFO
Dangote Industries Limited (see note 15.	Parent company that provides management support and receives 2% of turnover as management fees
Dangote Noodles Limited	Fellow subsidiary -
Dangote Agrosacks	Fellow subsidiary- Supplies empty sacks for bagging finished sugar
Green view Development Company Limited	Fellow subsidiary - Property rentals.
Benue Cement	Fellow subsidiary-Truck ownership scheme
DANCOM	Fellow subsidiary-Provider of IT services
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Obajana Cement	Fellow subsidiary - exchange of diesel, spares and LPFO
Dangote Logistics	Fellow subsidiary-Uses NASCON (OTTA) warehouse for

Information regarding Director and employess

27.6 Directors

	31 Mar 2013 N'000	31 Dec 2012 N'000
Director's emoluments comprise:		
Fees	-	410
Salaries	6,196	24,783
Others	14,491	17,900
	20,687	43,093

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

N'000	Number	Number
0 - 5000	-	-
20000 -25000	1	1
26000 -31000	-	-
38000 -43000	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2013

27.7 Employees

Average number of employees employed during the year :

	MAR 2013	DEC. 2012
Management	16	18
Senior Staff	75	75
Junior Staff	389	390
Total	480	45

Aggregate payroll costs:

Wages,salaries,allowances and other benefits	186,112	795,899
Provision for gratuity		119,653
Pension cost	12,647	25,736