

PRESENTATION OF RESULTS TO

NIGERIAN STOCK EXCHANGE

BY

ASHAKACEM PLC

Unaudited Results For The Period Ended 30th September, 2013

CERTIFICATION

In accordance with the provision of Section 60 (2) of the Investment and Securities Act (ISA) No. 29 of 2007, I the undersigned hereby certify as follows:

1. That I have reviewed the report,
2. That based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact that would make the statement misleading in the light of the circumstances under which such statement was made.
3. That based on my knowledge, the un-audited third quarter result for the period ended 30th September, 2013 and other financial information included in the report fairly present in all material respects, the financial condition and results of the operations of the company as at, and for the periods presented in the report.

**Yours faithfully,
For: ASHAKACEM PLC**

**YUSUF S. LAMUWA
GM FINANCE AND IT/CFO
FRC/2013/ANAN/00000002302**

ASHAKACEM PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For Period Ended 30th September, 2013.

The following are the significant accounting policies adopted by the company in the preparation of these financial statements:

1. Basis of accounting

The financial statements are prepared under the historical cost convention.

2. Turnover

Turnover represents the net amount receivable for the Company's own manufactured goods supplied to customers.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

4. Depreciation

Depreciation is calculated to write off the cost of fixed assets on straight line basis over the expected useful lives of the assets concerned at the following annual rates:

	%
Leasehold land and building	5
Fixed plant	3 1/3
Mobile plant	12 1/3
Motor vehicles	33 1/3
Factory fittings, furnitures and office equipment	20

5. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises suppliers' invoice price and where appropriate freight and other charges incurred to bring the materials to their location and condition. Finished goods and work in progress include factory related labour and overheads.

6. Debtor

Debtors are stated after making provisions for debt considered doubtful of recovery.

7. Foreign currencies

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the date of transactions. Assets and liabilities in foreign currencies are converted to Naira at the rate of exchange ruling at the balance sheet date. Gain and losses arising there from are recognised in the profit and loss account.

8. Employee Pension and gratuity

The company operates a defined contributory staff pension scheme for its employees in accordance with the Pension Reform Act 2004. The company and each employee contribute 12.5% and 7.5% respectively of staff emoluments. The company's contributions are charged to the profit and loss account.

In addition, full provision is made in the financial statements for lump sum benefits payable upon retirement or resignation of employment based on staff conditions of service and actuarial valuation. The gratuity scheme is not funded.

9. Deferred taxation

Deferred taxation is provided by liability method, which represents taxation at current rates on the differences between the net book values of fixed assets qualifying for capital allowances and their corresponding income tax written down values. This is in accordance with SAS 19 on accounting for taxes.

10. Finance leases

The capital element of assets under finance lease is capitalized along with the Company's fixed assets and depreciated at the appropriate rate. The obligation to the lessor is shown as part of borrowings, appropriately classified as to maturity.

11. Provisions

Provision is recognised 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 outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with SAS 23.

ASHAKACEM PLC

THIRD QUARTER (SEPTEMBER) 2013 INTERIM REPORT

STATEMENT OF COMPREHENSIVE INCOME				
		Sep-13	Sep-12	% Change
		N'000	N'000	
Revenue		16,838,436	16,463,475	2.28
Cost of Sales		(13,797,386)	(10,671,229)	(29.30)
Distribution/Admin and Other Expenses		(1,786,007)	(2,448,877)	27.07
Other Income		914,570	1,931,858	(52.66)
Profit/Loss Before Tax		2,169,613	5,275,226	(58.87)
Taxation		(650,884)	(1,582,568)	(58.87)
Profit/Loss After Tax		1,518,729	3,692,658	(58.87)
Total Comprehensive Income		1,518,729	3,692,658	(58.87)
Profit/Loss After Tax Attr. Owners of the Company		1,518,729	3,692,658	(58.87)
Attributable to Owners of the Company		1,518,729	3,692,658	(58.87)
Basis Earnings per Share - Kobo		68	165	(65.28)
Fully Diluted Earnings per Share - Kobo		68	165	(65.28)

STATEMENT OF FINANCIAL POSITION	Notes	Sep-13	Dec-12	% Change
		N'000	N'000	
Property, plant and equipment	3	48,413,472	48,271,636	0.29
Intangible Assets	4	44,637	82,345	(45.79)
Total Non Current Assets		48,458,109	48,353,981	0.22
Inventories	5	3,340,416	5,114,022	(34.68)
Trade and other receivables	6	1,430,363	501,554	185.19
Cash and cash equivalents	7	14,342,965	13,355,675	7.39
Total Current Assets		19,113,743	18,971,251	0.75
Trade and Other Payables	8	6,555,537	7,471,759	(12.26)
Provisions		-	17,857	(100.00)
Current Tax Liabilities		1,450,884	2,090,966	(30.61)
Total Current Liabilities		8,006,423	9,580,582	(16.43)
Finance Lease Obligation		97,760	31,545	
Deferred Tax Liabilities	10	5,703,371	5,706,979	(0.06)
Retirement benefit obligation		2,731,325	2,491,879	9.61
Total Non-Current Liabilities		8,532,455	8,230,403	3.67
Working Capital		11,107,320	9,390,669	17.18
Net Assets		51,032,973	49,514,247	3.07
Attributable to Owners of the Company		51,032,973	49,514,247	3.07

STATEMENT OF CASH FLOW		Sep-13	Dec-12	% Change
		N'000	N'000	
Cash Flow from Operating Activities		2,837,988	3,315,218	(96.79)
Cash Flow from Investing Activities		914,570	201,668	(326.78)
Cash Flow from Financing Activities		(2,765,268)	(926,760)	(107.38)
Net Increase/Decrease Cash and Cash Equivalent		987,290	2,590,126	(87.63)
Cash and Cash Equivalent Beginning of the Year		13,355,675	10,765,549	234.68
Cash and Cash Equivalent End of the Year		14,342,965	13,355,675	8.67

STATEMENT OF CHANGES IN EQUITY	Share Capital	Capital Contribution	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity N'000
Balance as at Beginning of the Year	1,119,727		(157,106,000)	45,764,311,000	46,726,932,000	-	46,726,932,000
Changes in Accounting Policy						-	-
Restated Balance						-	-
Changes in Equity for the Prior Year:							-
Issued Share Capital						-	-
Dividend				(895,781,000)	(895,781,000)	-	(895,781,000)
Rebate received from Lafarge		898,540,000	-	-	898,540,000		898,540,000
Total Comprehensive Income			(340,294,000)	3,124,848,000	2,784,554,000	-	2,784,554,000
Balance as at End of the Prior Year	1,119,727	898,540,000	(497,400,000)	47,993,378,000	49,514,245,000	-	49,514,245,000
Changes in Equity Current year:							-
Issued Share Capital						-	-
Dividend						-	-
Total Comprehensive Income				1,518,728,900	1,518,728,900	-	1,518,728,900
Balance as at End of the Current Year	1,119,727			49,512,106,900	51,032,973,900	-	51,032,973,900

ASHAKACEM PLC

NOTES TO THE FINANCIAL STATEMENTS FOR SECOND QUARTER ENDED SEPTEMBER 30th 2013

1 The Company

1.1 Legal Form

AshakaCem Plc was incorporated on 7 August, 1974 and commenced operation in September 1979.

2 Principal activities

The Company's principal activities include the manufacture and sale of cement.

3 Property Plant and Equipment

	September 2013 N'000	December 2012 N'000
Cost	52,303,481	52,253,559
Accumulated Depreciation to date	(9,267,390)	(7,772,151)
Capital Work in Progress	5,377,381	3,790,228
	48,413,472	48,271,636

ASHAKACEM PLC

NOTES TO THE FINANCIAL STATEMENT

		3rd Quarter	
		30-Sep-2013	31-Dec-2012
		N'000	N'000
4 Intangible Assets			
Cost			
At 1 January		374,652	351,476
addition		13,829	53,235
Transfers		-	27,779
write-off		-	(4,603)
At 31 December		388,481	427,887
Accumulated Amortisation			
Opening balance		343,844	311,583
Charge for the period		-	37,612
Write-off		-	(3,653)
At 31 December		343,844	345,542
Net book value			
		44,637	82,345

The useful life used for the computation of amortisation charge is 5 years.

ASHAKACEM PLC

NOTES TO THE FINANCIAL STATEMENT

5 Inventories

3rd Quarter		
	30-Sep-2013	31-Dec-2012
	N'000	N'000
Raw materials	2,870,541	2,486,301
Spares parts	1,159,172	3,006,877
Work in progress	352,473	622,645
Finished product	305,450	397,694
Allowance for obsolete inventories	(1,347,220)	(1,399,495)
	3,340,416	5,114,022

5.1 Work-in-progress represents cement under production at the year end.

6 Trade and other receivables

3rd Quarter		
	30-Sep-2013	31-Dec-2012
	N'000	N'000
Trade debtors	365,246	32,540
Unutilized letters of credit	394,444	70,561
Staff debtors	322,047	129,357
Advance payments to suppliers	278,679	448,854
Prepayments	82,271	60,465
Sundry debtors	379,354	167,590
Intercompany receivables	44,054	-
Allowance for doubtful balances	(435,732)	(407,813)
	1,430,363	501,554

7 Cash and cash equivalent

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3rd Quarter	
30-Sep-2013	31-Dec-2012
N'000	N'000
14,342,965	13,355,675

Cash and bank balances comprise cash and short term bank deposits with original maturity of three months or less and they do not include any restricted cash as at the reporting period. The carrying amount of these assets is approximately equal to their fair value.

ASHAKACEM PLC

NOTES TO THE FINANCIAL STATEMENT

	3rd Quarter	
	30-Sep-2013	31-Dec-2012
	N'000	N'000
8 Trade and other payables		
Trade Payables	1,117,356	2,387,841
Haulage creditors	65,900	161,096
Distributors' deposits	72,742	71,522
Advance payments by customers	1,319,704	1,693,877
Staff pensions accruals	-	39,362
Related party transaction	1,849,040	1,622,047
Accruals	594,801	783,835
Value Added Tax	216,030	216,065
Withholding taxes	307,716	95,785
Other creditors	1,012,248	400,331
	6,555,537	7,471,759

	3rd Quarter	
	30-Sep-2013	31-Dec-2012
	N'000	N'000
9 Provision		
Opening balance	-	17,857
Additions during the period		-
Charges during the period		-
Unused amounts	-	-
Closing balance	-	17,857

The provision is in respect of a judgement debt amounting to N17.8million at 30 June 2011

ASHAKACEM PLC

NOTES TO THE FINANCIAL STATEMENT

		3rd Quarter	
		30-Sep-2013	31-Dec-2012
		N'000	N'000
10	Deferred tax liabilities		
	Opening balance at 1st January	5,706,979	5,594,897
	Recognised in statement of profit or loss	-	257,922
	Recognised in other comprehensive income	(3,609)	(145,840)
	Closing period	5,703,371	5,706,979

		3rd Quarter	
		30-Sep-2013	31-Dec-2012
		N'000	N'000
11	Earnings per share		
	Earnings per share (kobo)- Basic	68	165
	Earnings per share (kobo)- Diluted	68	165

AshakaCem Plc.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the reconciliation of the Statement of Financial Position as at 30 September, 2013

i Reclassification of intangible assets

Under NGAAP, intangible assets like computer software are classified under property plant and equipment. Under IFRS computer software would generally be classified as an intangible asset unless it is considered to be an integral part of the property plan

ii Reclassification of accrued interest

Accrued interest on short term deposits are recognised as part of receivables under NGAAP. Under IFRS, accrued interest on short term deposits of less than three months maturity is part of cash and cash equivalents, hence the reclassification.

iii Reclassification of financed leased assets

Under NGAAP, financed leased were separately disclosed. Under IFRS, assets under finance lease are to be classified as part of property, plant and equipment. As a result, finance leased assets (motor vehicles) has been reclassified as part of property, plant and equipment.