DANGOTE CEMENT PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2014

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Independent Auditors Report

Statement Of Directors' Responsibilities for the Preparation and Approval Of The Financial Statements for the year ended 31st December 2014

The Directors of Dangote Cement Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31st December 2014. They are also responsible for the preparation of the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group and Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time of the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31st December 2014 were approved by Directors on 19th March 2015.

On behalf of the Directors of the Group

Alhaji Aliko Dangote, GCON	Devakumar Edwin
Chairman, Board of Directors	Group CEO
FRC/2013/IODN/00000001766	FRC/2013/NSE/00000002070

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31st December 2014

		Group		Company	
	Note	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Revenue	5	391,639,060	386,177,220	371,534,117	371,551,567
Cost of sales*	7	(143,057,897)	(130,472,635)	(128,583,576)	(115,892,838)
Gross profit		248,581,163	255,704,585	242,950,541	255,658,729
Administrative expenses	8	(27,659,437)	(25,993,138)	(20,939,192)	(20,079,595)
Selling and distribution expenses*	9	(37,428,398)	(35,553,519)	(34,645,344)	(35,226,976)
Other income	11	3,608,671	1,724,477	3,541,936	727,519
Profit from operating activities		187,101,999	195,882,405	190,907,941	201,079,677
Finance income	10	30,565,122	8,596,499	42,498,705	10,380,078
Finance costs	10	(32,978,194)	(13,717,542)	(20,366,983)	(11,448,932)
Profit before tax		**184,688,927**	**190,761,362**	**213,039,663**	**200,010,823**
Income tax (expense)/credit	14	(25,187,434)	10,436,726	(27,225,540)	10,251,931
Profit for the year		**159,501,493**	**201,198,088**	**185,814,123**	**210,262,754**
Other comprehensive income, net of income tax:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		1,152,198	(4,800,187)	-	-
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan	**27**	449,717	280,490	449,717	280,490
Other comprehensive income for the year, net of income tax		**1,601,915**	**(4,519,697)**	**449,717**	**280,490**
Total comprehensive income for the year		**161,103,408**	**196,678,391**	**186,263,840**	**210,543,244**
Profit for the year attributable to:					
Owners of the Company		160,578,394	201,912,292	185,814,123	210,262,754
Non-controlling Interests		(1,076,901)	(714,204)	-	-
		159,501,493	**201,198,088**	**185,814,123**	**210,262,754**
Total comprehensive income for the year attributable to:					
Owners of the Company		161,944,112	198,883,980	186,263,840	210,543,244
Non-controlling Interests		(840,704)	(2,205,589)	-	-
		161,103,408	**196,678,391**	**186,263,840**	**210,543,244**
Earnings per share, basic and diluted (Naira)	13	9.42	11.85	10.90	12.34

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non IFRS statements on pages 8 to 58 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position
As At 31st December 2014

		Group		Company	
	Note	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	15	747,793,820	581,465,116	526,721,478	452,046,889
Intangible assets	16	3,698,535	2,306,170	682,327	672,190
Investments	17.2	-	389	26,077,270	25,207,676
Deferred tax asset	14	16,633,430	19,635,374	13,154,316	18,359,111
Prepayments for property, plant & equipment	18	79,490,715	91,715,470	1,772,564	23,950,013
Receivables from subsidiaries	29	-	-	277,149,739	164,524,881
Total non-current assets		**847,616,500**	**695,122,519**	**845,557,694**	**684,760,760**
Current assets					
Inventories	19	42,687,840	27,667,288	36,314,579	23,576,746
Trade and other receivables*	20	15,640,277	11,488,091	8,462,728	9,120,840
Prepayments and other current assets	18	58,182,774	39,645,832	56,756,552	36,798,572
Cash and bank balances	30	20,593,140	70,501,583	16,349,511	67,442,862
Total current assets		**137,104,031**	**149,302,794**	**117,883,370**	**136,939,020**
Total assets		**984,720,531**	**844,425,313**	**963,441,064**	**821,699,780**
Liabilities					
Current liabilities					
Trade and other payables*	23	100,929,998	83,437,532	80,407,479	74,511,377
Current income tax payable	14	2,481,387	565,897	2,481,219	565,737
Financial debt*	24	110,639,898	56,289,386	106,442,007	55,431,396
Other current liabilities*	25.2	18,897,486	24,473,954	16,498,972	20,484,336
Total current liabilities*		**232,948,769**	**164,766,769**	**205,829,677**	**150,992,846**
Non-current liabilities					
Deferred tax liabilities	14	20,473,166	507,074	19,879,325	-
Financial debt	24	131,941,708	124,850,394	95,435,088	95,079,111
Provisions for liabilities and other charges	26	4,011,388	376,665	294,515	233,856
Retirement benefits obligation	27	2,069,460	1,962,640	2,069,460	1,962,640
Deferred revenue	25.1	1,389,885	1,868,501	1,389,885	1,868,501
Total non current liabilities		**159,885,607**	**129,565,274**	**119,068,273**	**99,144,108**
Total liabilities		**392,834,376**	**294,332,043**	**324,897,950**	**250,136,954**
Net assets		**591,886,155**	**550,093,270**	**638,543,114**	**571,562,826**
Equity					
Share capital	21	8,520,254	8,520,254	8,520,254	8,520,254
Share premium	21	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution	24a	2,876,642	2,876,642	2,828,497	2,828,497
Currency translation reserve		(3,836,663)	(4,752,664)	-	-
Employee benefit reserve		(16,075)	(465,792)	(16,075)	(465,792)
Retained earnings		537,750,794	496,455,952	584,780,438	518,249,867
Equity attributable to owners of the company		587,724,952	545,064,392	638,543,114	571,562,826
Non-controlling interest		4,161,203	5,028,878	-	-
Total equity		**591,886,155**	**550,093,270**	**638,543,114**	**571,562,826**
Total equity and liabilities*		**984,720,531**	**844,425,313**	**963,441,064**	**821,699,780**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non IFRS statements on pages 8 to 58 form an integral part of these consolidated and separate financial statements.

Alhaji Aliko Dangote, GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Devakumar Edwin
Group CEO
FRC/2013/NSE/00000002070

Hope Uwagboe
Head of Finance
FRC/2014/ICAN/00000010364

Consolidated Statement Of Changes In Equity
for the year ended 31st December 2014

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Employee benefit reserve ₦'000	Currency translation reserve ₦'000	Capital contribution ₦'000	Attributable to owners of the parent ₦'000	Non-Controlling Interest ₦'000	Total equity ₦'000
Balance as at 1st January 2013	**8,520,254**	**42,430,000**	**345,665,182**	**(746,282)**	**(1,443,862)**	**2,876,642**	**397,301,934**	**7,234,467**	**404,536,401**
Profit for the year	-	-	201,912,292	-	-	-	201,912,292	(714,204)	201,198,088
Other comprehensive income for the year, net of income tax	-	-	-	280,490	(3,308,802)	-	(3,028,312)	(1,491,385)	(4,519,697)
Total comprehensive Income for the year	-	-	201,912,292	280,490	(3,308,802)	-	198,883,980	(2,205,589)	196,678,391
Dividends paid	-	-	(51,121,522)	-	-	-	(51,121,522)	-	(51,121,522)
Balance as at 31st December 2013	**8,520,254**	**42,430,000**	**496,455,952**	**(465,792)**	**(4,752,664)**	**2,876,642**	**545,064,392**	**5,028,878**	**550,093,270**
Profit for the year	-	-	160,578,394	-	-	-	160,578,394	(1,076,901)	159,501,493
Other comprehensive income for the year, net of income tax	-	-	-	449,717	916,001	-	1,365,718	236,197	1,601,915
Total comprehensive Income for the year	-	-	160,578,394	449,717	916,001	-	161,944,112	(840,704)	161,103,408
Effect of additional participation in Group companies	-	-		-	-	-	-	(26,971)	(26,971)
Dividends paid	-	-	(119,283,552)	-	-	-	(119,283,552)	-	(119,283,552)
Balance as at 31st December 2014	**8,520,254**	**42,430,000**	**537,750,794**	**(16,075)**	**(3,836,663)**	**2,876,642**	**587,724,952**	**4,161,203**	**591,886,155**

The accompanying notes and non IFRS statements on pages 8 to 58 form an integral part of these consolidated and separate financial statements.

Separate Statement Of Changes In Equity
for the year ended 31st December 2014

	Share capital	Share premium	Capital Contribution	Retained earnings	Employee Benefit reserve	Total equity
	₦'000	₦'000	₦'000	₦000	₦'000	₦'000
Balance as at 1st January 2013	**8,520,254**	**42,430,000**	**2,828,497**	**359,108,635**	**(746,282)**	**412,141,104**
Profit for the year	-	-	-	210,262,754	-	210,262,754
Other comprehensive income for the year, net of income tax	-	-	-	-	280,490	280,490
Total comprehensive income for the year	-	-	-	210,262,754	280,490	210,543,244
Dividends paid	-	-	-	(51,121,522)	-	(51,121,522)
Balance as at 31st December 2013	**8,520,254**	**42,430,000**	**2,828,497**	**518,249,867**	**(465,792)**	**571,562,826**
Profit for the year	-	-	-	185,814,123	-	185,814,123
Other comprehensive income for the year, net of income tax	-	-	-	-	449,717	449,717
Total comprehensive income for the year	-	-	-	185,814,123	449,717	186,263,840
Dividends paid	-	-	-	(119,283,552)	-	(119,283,552)
Balance as at 31st December 2014	**8,520,254**	**42,430,000**	**2,828,497**	**584,780,438**	**(16,075)**	**638,543,114**

The accompanying notes and non IFRS statements on pages 8 to 58 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows
for the year ended 31st December 2014

	Note	Group		Company	
		Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Cash flows from operating activities					
Profit before tax		184,688,927	190,761,362	213,039,663	200,010,823
Adjustments for:					
Depreciation & amortisation	15 & 16	36,265,847	33,705,506	34,202,056	32,165,155
Write off of property, plant and equipment		1,096,993	40,909	1,015,261	28,492
Interest expense	10	18,049,233	12,351,894	16,266,576	11,094,896
Interest income	10	(3,147,210)	(5,630,349)	(15,139,796)	(10,380,078)
Unrealised exchange loss on borrowings		954,791	-	954,791	-
Exchange gain on non-operating assets		-	-	(24,267,851)	-
Amortisation of deferred revenue	25	(541,736)	(602,255)	(541,736)	(602,101)
Other provisions		3,634,723	(110,645)	60,659	(40,926)
Provisions for employee benefits	27	872,873	795,262	872,873	795,262
Loss/(gain) on disposal of property, plant and equipment		58,692	(103,264)	58,692	(85,450)
		241,933,133	231,208,420	226,521,188	232,986,073
Changes in working capital:					
Change in inventories		(15,020,552)	4,810,651	(12,737,833)	7,276,792
Change in trade and other receivables*		(4,152,186)	31,760,194	658,112	23,342,152
Change in trade and other payables*		16,931,126	18,742,927	5,334,762	19,768,148
Change in prepayments and other * current assets		(18,536,942)	(8,429,970)	(19,957,980)	(8,398,032)
Change in other current liabilities*		(5,264,022)	5,877,608	(3,667,538)	3,213,703
Cash generated from operating activities		215,890,557	283,969,830	196,150,711	278,188,836
Gratuity paid and contribution to plan asset		(316,336)	(295,808)	(316,336	(295,808)
Income tax paid		(225,936)	(1,935,748)	(225,936)	(1,939,301)
Net cash generated from operating activities		**215,348,285**	**281,738,274**	**195,608,439**	**275,953,727**
Cash flows from investing activities					
Interest received		3,147,210	5,630,349	3,072,605	5,450,373
Acquisition of intangible assets		(1,596,321)	(442,212)	(243,893)	(222,590)
Acquisition of property, plant and equipment		(217,192,188)	(139,966,242)	(121,796,962)	(99,116,814)
Proceeds from disposal of property, plant and equipment		1,486,613	11,248	1,486,613	11,248
Acquisition of investment		-	(389)	(8,030)	(389)
Change in non-current prepayment		22,109,864	(40,799,285)	32,056,788	(2,887,804)
Change in long term receivables from subsidiaries		-	-	(76,691,920)	(71,853,488)
Net cash used in investing activities		**(192,044,822)**	**(175,566,531)**	**(162,124,799)**	**(168,619,464)**
Cashflows from financing activities					
Interest paid		(16,608,058)	(12,019,482)	(14,825,401)	(11,762,862)
Dividend paid		(119,283,552)	(51,121,522)	(119,283,552)	(51,121,522)
Loans obtained		138,898,479	21,403,960	132,923,092	15,919,867
Loans repaid		(83,391,130)	(34,625,397)	(83,391,130)	(34,625,397)
Net cash used in financing activities		**(80,384,261)**	**(76,362,441)**	**(84,576,991)**	**(81,589,914)**
(Decrease)/Increase in cash and cash equivalent		(57,080,798)	29,809,302	(51,093,351)	25,744,349
Effects of exchange rate changes on the balance of cash held in foreign currencies and other non monetary impact		3,838,371	(3,325,762)	-	-
Cash and cash equivalents at beginning of year		69,645,893	43,162,353	67,442,862	41,698,513
Cash and cash equivalents at end of year	30.1	**16,403,466**	**69,645,893**	**16,349,511**	**67,442,862**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non IFRS statements on pages 8 to 58 form an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

1. General Information
Dangote Cement Plc (the Company) was incorporated in Nigeria as a public limited liability company on 4th November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14th July 2010 to Dangote Cement Plc. Its parent company is Dangote Industries Limited ("DIL" or "the Parent Company"). Its ultimate controlling party is Alhaji Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as the Group) is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company's production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries' locations is disclosed in Note 17.

The consolidated financial statements of the Group for the year ended 31st December 2014 comprise the results and the financial position of the Company and its subsidiaries.

The separate financial statements of the Company for the year ended 31st December 2014 comprise those of the Company only.

These consolidated and separate financial statements for the year ended 31st December 2014 have been approved for issue by the Directors on 19th March 2015

2. Significant Accounting Policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Statement of Compliance
The Company's full financial statements for the year ended 31st December 2014 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") that are effective at 31st December 2014 and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

2.1.2 Basis of Preparation
The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2.2.1 Basis of Consolidation
The Group financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31st December 2014. Control is achieved where the investor;

(I) has power over the investee entity
(ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement,
(iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners' of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.2.2 Transactions Eliminated on Consolidation
All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Non-Controlling Interest
Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interests" in the statement of financial position, even if it can create negative non-controlling interests.

2.4 Acquisition of Entities Under Common Control
Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2.4.1 Changes in the Group's Ownership Interests in Existing Subsidiaries
Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between

(I) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture."

2.5 Revenue
Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, Value Added Tax and volume rebates.

2.5.1 Goods Sold
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

associated with the transaction will flow to the Group;
- and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Amount relating to shipping and handling, whether included as part of sales or billed separately is recorded as revenue and cost incurred for shipping and handling are classified under selling and distribution expenses.

2.5.2 Finance Income
Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in the profit and loss account when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Borrowing Costs
Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.
However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalized interest cost is the actual interest rate when there is a specific borrowing facility related to a construction project or the Group's average borrowing interest rate. Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2.7 Foreign Currency
2.7.1 Functional and Presentation Currency
These consolidated and separate financial statements are presented in the Nigerian Naira (N), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless where otherwise stated.

2.7.2 Foreign Currency Transactions
In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.7.3 Foreign Operations

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In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognized in a currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Foreign currency translation adjustments". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

2.8 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation to do so.

Such assets are classified to the appropriate categories of properties, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognized within "Cost of sales" and "Administrative and selling expenses," depending on the utilization of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Life (years)
Buildings	25
Plant and machinery	10 - 25
Power plants	5 – 25
Cement plants	5 – 25
Motor vehicles	4

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Computer hardware	3
Furniture and equipment	5
Aircraft and related components	5 - 25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.9 Intangible Assets

In accordance with criteria set out in IAS 38 – Intangible Assets, intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives ranging from two to seven years. Amortization expense is recorded in Cost of sales and Selling and distribution expenses or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meet the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.
The costs will be amortised over the life of the project based on the expected flow of economic resources associated with the project.

2.9.1 Internally-generated Intangible Assets - Research And Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.9.2 Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old

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and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:
Raw Materials
Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work In Progress
Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished Goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare Parts and Consumables
Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

2.11 Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.
Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as at Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit and loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). The Group does not have any financial assets classified as available for sale or held to maturity.

2.11.1 Financial Assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), (of which financial instruments are further classified as either held for trading("HFT") or designated at fair value through profit or loss' (FVTPL)), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' (which include amounts due from related parties, loans and receivables). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2.11.2 Cash and Cash Equivalents
The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.11.3 Loans and Receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses.
Interest income is recognised by applying the effective interest rate, except for short-term receivables, where the effect of discounting is immaterial.

2.11.4 Derecognition of Financial Assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and

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the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.11.5 Financial Liabilities and Equity Instruments
Classification as Debt or Equity
Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.11.6 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

2.11.7 Financial liabilities
Financial liabilities are classified as either FVTPL or other financial liabilities' (which include loans from banks and related parties and trade and other payables).

The Group subsequently measures financial liabilities, except for derivative financial instruments, at amortised cost using the effective interest method.

2.11.8 Derivative Financial Instruments
Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are initially measured at fair value, at the date the derivative contracts are entered into. Derivative financial instruments are classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognised at each reporting date either in profit and loss or, in the case of a cash flow hedge or net investment hedge, in other comprehensive income, net of tax. For hedging instruments, the timing of recognition in the profit or loss depends on the nature of the hedge relationship. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

2.11.9 De-recognition of Financial Liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11.10 Offsetting
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11.11 Effective Interest Method
The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.12 Impairment
2.12.1 Financial Assets
A financial asset, other than at FVTPL, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

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- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period by 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.12.2 Non-financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.13.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences:
(i) the initial recognition of goodwill,
(ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

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(iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13.3 Current And Deferred Tax For The Year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.14 Government Grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.
Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.
The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount recognised as government grant is recognised in profit or loss over the period the related expenditure is incurred.

2.15 Employee Benefits
2.15.1 Short Term Employee Benefits
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee.

2.15.2 Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.15.3 Defined Benefit Plans
For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to

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profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents current service costs in profit or loss in the line item employee benefits expense. Interest is accounted for as finance costs in profit or loss.

2.16 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restoration Costs
Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognizes its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

2.17 Contingencies
Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2.18 Earnings Per Share
The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of the earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. Potential dilutive common shares result from stock options and convertible bonds issued by the Company on its own common shares.

2.19 Leases
In accordance with IFRIC 4 – Determining Whether an Arrangement Contains a Lease, arrangements including transactions that convey a right to use the asset, or where fulfilment of the arrangement is dependent on the use of a specific asset, are analysed in order to assess whether such arrangements contain a lease and whether the prescriptions of IAS 17 Leases have to be applied.

Leases – as a lessee
In accordance with IAS 17, the Group capitalizes assets financed through finance leases where the lease arrangement transfers to the Group substantially all of the rewards and risks of ownership. Lease arrangements are evaluated based upon the following criteria:

- the lease term in relation to the assets' useful lives;
- the total future payments in relation to the fair value of the financed assets;
- existence of transfer of ownership;
- existence of a favourable purchase option; and
- specificity of the leased asset.

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Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding lease obligations, excluding finance charges, are included in current or long-term financial liabilities as applicable

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 2.6). Contingent rentals are recognised as expenses in the periods in which they are incurred.

All other leases are operating leases and they are not recognized on the Group's statement of financial position. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in this financial statements

In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1st January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of currently has a legally enforceable right of set-off and simultaneous realisation and settlement.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of

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the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets.
The Group has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting.
The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness

The amendments have been applied restrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 Levies.
The Group has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements."

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.2 New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[5]
IFRS 15	Revenue from Contracts with Customers[4]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants [3]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions [1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle [1]

1. Effective for annual periods beginning on or after 1st July 2014, with earlier application permitted.
2. Effective for annual periods beginning on or after 1st July 2014, with limited exceptions. Earlier application is permitted.
3. Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.
4. Effective for annual periods beginning on or after 1st January 2017, with earlier application permitted.
5. Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.

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IFRS 9 Financial Instruments
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key Requirements of IFRS 9:
• All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

• In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

IFRS 15 Revenue from Contracts with Customers
In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the

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entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1st January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1st January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

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For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle
The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.
The amendments to IFRS 2
(I) change the definitions of 'vesting condition' and 'market condition'; and
(ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.

The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1st July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1st July 2014.

The amendments to IFRS 8
(I) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and
(ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle
The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below. The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself. The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with,

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IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and
(b) the transaction meets the definition of a business combination under IFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

4 Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical Accounting Judgements

4.1.1 Control Over Subsidiaries

The management of the Company have assessed whether or not the Group has control over the subsidiaries based on whether the Group has the practical ability to direct the relevant activities of each subsidiary laterally. In making their judgement, the directors considered the Group's absolute size of holding in the subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the Directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the subsidiaries and therefore the Group has control over them.

4.2 Key Sources Of Estimation Uncertainty

4.2.1 Provision For Restoration Costs

Management of the Group exercises significant judgement in estimating provisions for restoration costs. Should these estimates vary, profit or loss and statement of financial position in the following years would be impacted.

4.2.2 Provisions For Employee Benefits

The actuarial techniques used to assess the value of the defined benefit plans involve financial assumptions (discount rate, rate of return on assets, medical costs trend rate) and demographic assumptions (salary increase rate, employee turnover rate, etc.). The Group uses the assistance of an external independent actuary in the assessment of these assumptions. For more details refer to note 27.2.

4.2.3 Estimated Useful Lives And Residual Values Of Property, Plant And Equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31st December 2014 and that has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods. For more details refer to note 2.

4.2.4 Valuation Of Deferred Tax

The recognition of deferred tax assets requires an assessment of future taxable profit. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The availability of future taxable profits depends on several factors including the group's future financial performance and if necessary, implementation of tax planning strategies.

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5. Sales (Tonnes)	Group		Company	
	2014	2013	2014	2013
Sales volume:	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes
Cement production capacity	34,050	20,250	29,250	19,250
Cement production volume	13,858	13,094	13,001	13,094
Trade cement purchase	344	695	-	-
(Increase)/decrease in stock of cement	(231)	208	(128)	199
Total sales	**13,971**	**13,997**	**12,873**	**13,293**

	Group		Company	
	2014	2013	2014	2013
Revenue (Naira):	₦'000	₦'000	₦'000	₦'000
Revenue from sales of cement	391,270,022	385,653,425	371,534,117	371,551,567
Revenue from sales of other products	369,038	599,906	-	-
	391,639,060	386,253,331	371,534,117	371,551,567
Elimination/adjustment	-	(76,111)	-	-
	391,639,060	**386,177,220**	**371,534,117**	**371,551,567**

Sales after adjusting intra-group sales as shown above are from external customers.

5.1 Information About Major Customers

Included in revenue arising from direct sales of cement of ₦391.3 billion (2013: ₦385.7 billion) is revenue of approximately ₦16.7 billion (2013: ₦14.3billion) which arose from sales to the Group's largest customer. No customer contributed 10% or more to the Group's revenue for both 2014 and 2013.

6 Segment Information

6.1 Products And Services From Which Reportable Segments Derive Their Revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on at least a quarterly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

Segment information is presented in respect of the Group's reportable segments. For management purposes, the Group is organised into business units by geographical areas in which the Group operates. The Group has 3 reportable segments based on location of the principal operations as follows:

- Nigeria
- West and Central Africa
- South and East Africa

All segments are involved in the production, distribution, and sale of cement and ash. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6.2 Segment Revenue and Results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue and operating profit, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within these industries

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2014

Segment results	**Nigeria**	**West & Central Africa**	**South & East Africa**	**Eliminations**	**Total**
	₦ '000	**₦ '000**	**₦ '000**	**₦ '000**	**₦'000**
Revenue	371,534,117	6,195,401	13,909,542	-	391,639,060
Depreciation & amortisation	34,202,056	833,955	1,229,836	-	36,265,847
Operating profit/(loss)	190,907,941	(3,861,782)	55,840	-	187,101,999
Other income	3,541,936	49,009	17,726	-	3,608,671
Finance income	42,498,705	1,437	132,169	(12,067,189)	30,565,122
Finance costs	20,366,983	10,194,194	3,634,623	(1,217,606)	32,978,194
Profit/(loss) after tax	185,814,123	(14,054,704)	(1,408,340)	(10,849,586)	159,501,493

Segment assets & liabilities

Non-current assets	845,557,694	97,519,215	220,460,411	(315,920,820)	847,616,500
Current assets	117,883,370	6,437,952	12,944,407	(161,698)	137,104,031
Total assets	963,441,064	103,957,167	233,404,818	(316,082,518)	984,720,531
Segment liabilities	324,897,950	128,391,136	216,723,313	(277,178,023)	392,834,376
Net additions to non-current assets excluding deferred tax	166,001,729	35,552,859	78,143,746	(124,202,409)	155,495,925

2013

Segment results	**Nigeria**	**West & Central Africa**	**South & East Africa**	**Eliminations**	**Total**
	₦ '000	**₦ '000**	**₦'000**	**₦ '000**	**₦ '000**
Revenue	371,551,567	14,101,858	599,906	(76,111)	386,177,220
Depreciation & amortisation	32,165,155	1,366,869	173,482	-	33,705,506
Operating profit/(loss)	201,079,677	(4,169,725)	(1,027,547)	-	195,882,405
Other income	727,519	962,319	34,639	-	1,724,477
Finance income	10,380,078	2,967,227	51,287	(4,802,093)	8,596,499
Finance costs	11,448,932	4,698,324	3,129	(2,432,843)	13,717,542
Profit/(loss) after tax	210,262,754	(5,901,191)	(794,221)	(2,369,254)	201,198,088

Segment assets & liabilities

Non-current assets	684,760,760	61,966,356	140,113,814	(191,718,411)	695,122,519
Current assets	136,939,020	8,469,848	3,932,068	(38,142)	149,302,794
Total assets	821,699,780	70,436,204	144,045,882	(191,756,553)	844,425,313
Segment liabilities	250,136,954	80,293,881	128,006,835	(164,105,627)	294,332,043
Net additions to non-current assets excluding deferred tax	166,703,518	15,273,055	59,560,458	(80,720,048)	160,816,983

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Significant non current assets by country excluding deferred tax

	Group 2014 ₦'000	Group 2013 ₦'000
Nigeria	832,403,378	666,401,649
South Africa	56,102,542	48,855,677
Senegal	50,491,884	43,633,830
Zambia	51,575,695	29,662,290
Ethiopia	61,994,355	39,211,548
Tanzania	47,308,705	21,108,036
Congo	16,821,920	1,664,414
Cameroon	17,400,057	9,937,465

Significant revenue by country (External customers)

Nigeria	371,534,117	371,475,456
Ghana	6,195,401	14,101,858
South Africa	13,909,542	599,906

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance. Group financing (including finance income and finance costs) and income taxes are managed at an individual company level.

6.5 Eliminations and Adjustments
Elimination and Adjustments relate to the following:

- Profit/(loss) after tax of ₦10.85 billion (2013: ₦2.37billion) is due to elimination of interest on inter-company loan.
- Non-current assets of ₦315.92 billion (2013: ₦191.72 billion) due to the elimination of investment in subsidiaries with the parent's share of their equity and non current inter-company payable and receivable balances.
- Current assets of ₦161.7 million (2013: ₦38.14 million) are due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦277.18 billion (2013: ₦164.11 billion) due to the elimination of inter-company due to and due from related parties balances.
- Finance income ₦12.07 billion (2013: ₦4.80 billion) and finance costs of ₦1.22 billion (2013: ₦2.43 billion) are due to the elimination of interest on inter-company loan.

In addition to the depreciation and amortisation reported above, a sum of ₦1.10 billion (2013: ₦40.9 million) in the financial statements was written off (impaired) in respect of property, plant and equipment. The impairment loss was attributable to the Nigerian operations.

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7. Cost of sales

	Group		Company	
	Year ended 31-Dec-14	**Year ended 31-Dec-13**	**Year ended 31-Dec-14**	**Year ended 31-Dec-13**
	₦ '000	**₦ '000**	**₦ '000**	**₦ '000**
Material consumed*	33,226,289	31,104,715	20,730,754	17,518,702
Fuel & power consumed*	62,023,119	48,599,511	60,810,555	48,463,019
Royalty (refer to (a)below)	461,447	447,833	456,519	447,833
Salaries and related staff costs	10,756,389	7,777,310	9,876,355	7,705,879
Depreciation & amortization	21,646,569	20,130,299	20,633,056	19,910,480
Plant maintenance	11,797,844	9,053,818	11,739,497	8,994,745
Other production expenses*	7,476,259	8,842,950	5,760,313	8,599,135
(Increase)/ decrease in finished goods and work in progress*	(4,330,019)	4,516,199	(1,423,473)	4,253,045
Total	**143,057,897**	**130,472,635**	**128,583,576**	**115,892,838**

(a) Royalty payable is charged based on volume of extraction made during the year.
* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

8. Administrative Expenses

	Group		Company	
	Year ended 31-Dec-14	**Year ended 31-Dec-13**	**Year ended 31-Dec-14**	**Year ended 31-Dec-13**
	₦ '000	**₦ '000**	**₦ '000**	**₦ '000**
Salaries and related staff costs	9,470,701	7,483,005	7,729,186	6,291,126
Corporate social responsibility	2,128,873	1,880,506	2,082,691	1,833,258
Management fee (refer (a) below)	1,047,894	877,414	1,047,894	877,414
Depreciation and amortisation	3,191,565	2,880,585	2,247,811	1,560,053
Audit fees	239,007	191,981	176,000	160,000
Directors' remuneration	254,065	144,989	254,065	144,989
Rent, rate and insurance	1,788,758	1,456,107	1,138,220	1,059,279
Repairs and maintenance	930,937	665,223	696,685	597,010
Travel expenses	1,013,201	1,036,924	807,830	918,947
Bank charges	565,057	501,273	485,357	453,522
General administrative expenses	3,900,415	3,314,091	2,407,942	2,774,512
Others (refer to (b) below)	2,031,971	5,532,548	850,250	3,380,993
Impairment of property, plant and equipment	1,096,993	28,492	1,015,261	28,492
Total	**27,659,437**	**25,993,138**	**20,939,192**	**20,079,595**

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Gboko plant. It is based on sales from the plant net of discounts, rebates and applicable concessions provided to customers.

(b) Included in "Others" in the prior year (Group) is an amount of ₦2.1 billion incurred in 2013 in respect of litigation and settlement of land dispute in Senegal. In 2012, the title of the land on which the facilities of Dangote Cement Senegal S.A are located was in dispute which was settled out of court in 2013 thereby necessitating the payment of ₦2.1 billion to the plaintiff.

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Other employee related disclosures

	Group		Company	
Aggregate payroll costs:	**Year ended 31-Dec-14**	**Year ended 31-Dec-13**	**Year ended 31-Dec-14**	**Year ended 31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Wages, salaries and staff welfare	18,988,639	14,224,207	16,640,925	12,965,294
Pension costs	721,554	512,191	447,719	507,794
Gratuity provision	516,897	523,917	516,897	523,917
Total	**20,227,090**	**15,260,315**	**17,605,541**	**13,997,005**

Chairman and Director's remuneration

	Group		Company	
	Year ended 31-Dec-14	**Year ended 31-Dec-13**	**Year ended 31-Dec-14**	**Year ended 31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Directors' remuneration comprises:				
Fees	33,000	7,600	33,000	7,600
Emoluments	221,065	137,389	221,065	137,389
	254,065	**144,989**	**254,065**	**144,989**
Chairman	5,000	5,000	5,000	5,000
Highest paid Director	98,623	44,719	98,623	44,719

Number of Directors whose emoluments were within the following ranges:

₦ ₦				
1 – 3,200,000	-	-	-	-
3,200,001 – 8,750,000	10	6	10	6
8,750,001 – 20,000,000	-	-	-	-
Above 20,000,000	1	2	1	2
Total	**11**	**8**	**11**	**8**

Permanent employees remunerated at higher rate excluding allowances:

₦ ₦				
0 - 250,000	4,497	3,490	4,344	3,490
250,001 - 500,000	983	1,937	884	1,868
500,001 - 750,000	1,005	586	936	478
750,001 - 1,000,000	529	227	517	138
1,000,001 - 1,250,000	619	96	610	69
1,250,001 - 1,500,000	272	64	269	41
1,500,001 - 2,000,000	430	57	345	45
2,000,001 and above	650	78	391	73
	8,985	**6,535**	**8,296**	**6,202**

The average number of permanent employees employed during the year excluding Directors was as follows:				
Management	295	230	222	197
Non-management	7,917	5,963	7,578	5,644
Total	**8,212**	**6,193**	**7,800**	**5,841**

Notes to the Consolidated and Separate Financial Statements
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9. Selling and distribution expenses

	Group		Company	
	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000
Depreciation	11,427,713	10,694,622	11,321,189	10,694,622
Advertisement and promotion	2,911,675	4,176,297	2,747,239	3,933,764
Haulage expenses*	23,089,010	20,682,600	20,576,916	20,598,590
Total	**37,428,398**	**35,553,519**	**34,645,344**	**35,226,976**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

10. Finance income and finance costs

	Group		Company	
	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000
Finance income:				
Interest income	3,147,210	5,630,349	15,139,796	10,380,078
Foreign exchange gain (Note 10.1)	27,417,912	2,966,150	27,358,909	-
Total	**30,565,122**	**8,596,499**	**42,498,705**	**10,380,078**
Finance costs:				
Interest expenses	22,116,941	15,090,313	17,981,785	13,833,315
Less: amounts included in the cost of qualifying assets	(4,067,708)	(2,738,419)	(1,715,209)	(2,738,419)
	18,049,233	12,351,894	16,266,576	11,094,896
Foreign exchange loss (Note 10.1)	14,545,013	1,061,331	3,716,459	49,719
Defined benefit obligation	355,885	271,345	355,885	271,345
Unwinding of discount	28,063	32,972	28,063	32,972
Total	**32,978,194**	**13,717,542**	**20,366,983**	**11,448,932**

The Average effective interest rate on funds borrowed generally is 10% per annum for the Group and Company (2013: 10% and 12% per annum). This is the average rate for capitalisation.

10.1 Foreign exchange gain or loss arose as a result of the translation of foreign currencies denominated balances at the year end across the group. The increase in the current year was due to the depreciation of the respective currencies against the major foreign currencies at the year end.

11. Other income

	Group		Company	
	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000
Insurance claims	106,029	1,110,027	106,029	168,783
Scrap sales	-	72,864	-	72,864
Government grant (Note 25.1)	541,736	602,255	541,736	602,101
Sundry (expense)/income	2,960,906	(60,669)	2,894,171	(116,229)
Total	**3,608,671**	**1,724,477**	**3,541,936**	**727,519**

12 Profit for the year

Profit for the year includes the following charges/(credits):

	Group		Company	
	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000	Year ended 31-Dec-14 ₦ '000	Year ended 31-Dec-13 ₦ '000
Depreciation of property, plant and equipment	35,984,636	33,556,171	33,968,300	32,028,158
Amortisation of intangible assets	281,211	149,335	233,756	136,997
Auditors' remuneration	239,007	191,981	176,000	160,000
Employee benefits expense	20,227,090	15,260,315	17,605,541	13,997,005
Loss/(profit) on disposal of property, plant and equipment	58,692	(103,264)	58,692	(85,450)

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13 Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31-Dec-14 ₦'000	**Year ended 31-Dec-13 ₦'000**	**Year ended 31-Dec-14 ₦'000**	**Year ended 31-Dec-13 ₦'000**
Profit for the year attributable to owners of the Company	160,578,394	201,912,292	185,814,123	210,262,754
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	17,040,507	17,040,507	17,040,507	17,040,507
Basic & diluted earnings per share	**9.42**	**11.85**	**10.90**	**12.34**

14. Income taxes

14.1 Income tax recognised in profit or loss

	Group		Company	
	Year ended 31-Dec-14 ₦'000	**Year ended 31-Dec-13 ₦'000**	**Year ended 31-Dec-14 ₦'000**	**Year ended 31-Dec-13 ₦'000**
Current tax				
Current tax expense in respect of the current year	(2,139,936)	(1,379)	(2,141,420)	(114)
Deferred tax				
Deferred tax (expense)/credit recognised in the current year	(23,047,498)	10,438,105	(25,084,120)	10,252,045
Total income tax recognised in the current year	**(25,187,434)**	**10,436,726**	**(27,225,540)**	**10,251,931**

Deferred tax assets have been recognised by the Group, since it is probable that future taxable profits will be available for offset.

The income tax (expense)/credit for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31-Dec-14 ₦'000	**Year ended 31-Dec-13 ₦'000**	**Year ended 31-Dec-14 ₦'000**	**Year ended 31-Dec-13 ₦'000**
Profit before income tax	184,688,927	190,761,362	213,039,663	200,010,823
Income tax expense calculated at 32% (2013: 32%)	(59,100,457)	(61,043,636)	(68,172,692)	(64,003,463)
Effect of income that is exempt from taxation	38,440,609	65,152,245	38,440,609	65,152,245
Effect of expenses that are not deductible in determining taxable profit	(5,692,392)	(3,599)	(1,960,642)	(114)
Effect of unused tax losses and offsets not recognised as deferred tax assets	(5,510,668)	(3,359,275)	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(11,212)	-	-	-
Other	(733,986)	(280,926)	284,233	(850,916)
	(32,608,106)	**464,810**	**(31,408,492)**	**297,752**
Additional Capital Allowance granted on pioneer status during the year	7,420,672	9,971,916	4,182,952	9,954,179
Income tax income recognised in profit or loss	**(25,187,434)**	**10,436,726**	**(27,225,540)**	**10,251,931**

The income tax rate of 32% (including education tax of 2%), was used for the company tax computation as established by the tax legislation of Nigeria effective in 2014 and 2013. The Group is also subject to taxation in South Africa, which has a statutory rate of 28% in effect at the end of 31st December, 2014 and 2013. The effect of different tax rates of subsidiaries operating in other jurisdictions was not material and included in the "Other" line of reconciliation above for 2013 but has been shown separately for 2014.

Notes to the Consolidated and Separate Financial Statements
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14.2 Current tax liabilities:	**Group**		**Company**	
	Year ended 31-Dec-14 ₦'000	**Year ended 31-Dec-13 ₦'000**	**Year ended 31-Dec-14 ₦'000**	**Year ended 31-Dec-13 ₦'000**
Income tax payable	**2,481,387**	**565,897**	**2,481,219**	**565,737**

14.3 Deferred tax balance	**Group**		**Company**	
	Year ended 31-Dec-14 ₦'000	**Year ended 31-Dec-13 ₦'000**	**Year ended 31-Dec-14 ₦'000**	**Year ended 31-Dec-13 ₦'000**
Deferred tax assets	16,633,430	19,635,374	13,154,316	18,359,111
Deferred tax liabilities	(20,473,166)	(507,074)	(19,879,325)	-
	(3,839,736)	**19,128,300**	**(6,725,009)**	**18,359,111**

Group

2014	**Opening balance**	**Recognised in profit or loss**	**Effect of currency translation**	**Closing balance**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	16,988,466	(17,467,355)	-	(478,889)
Unrealised exchange (gain)/loss	-	(7,127,736)	-	(7,127,736)
Provision for doubtful debts	699,753	(310,038)	-	389,715
Other provisions	766,069	(178,991)	-	587,078
Other	674,012	2,036,622	79,462	2,790,096
Total	**19,128,300**	**(23,047,498)**	**79,462**	**(3,839,736)**

2013	**Opening balance**	**Recognised in profit or loss**	**Effect of currency translation**	**Closing balance**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	7,339,232	9,649,234	-	16,988,466
Provision for doubtful debts	647,763	51,990	-	699,753
Other provisions	120,070	645,999	-	766,069
Other	834,241	90,882	(251,111)	674,012
Total	**8,941,306**	**10,438,105**	**(251,111)**	**19,128,300**

Company

2014	**Opening balance**	**Recognised in profit or loss**	**Closing balance**
	₦'000	**₦'000**	**₦'000**
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	16,771,585	(17,467,355)	(695,770)
Unrealised exchange (gain)/loss	-	(7,127,736)	(7,127,736)
Provision for doubtful debts	699,343	(310,038)	389,305
Other provisions	888,183	(178,991)	709,192
Total	**18,359,111**	**(25,084,120)**	**(6,725,009)**

2013	**Opening balance**	**Recognised in profit or loss**	**Closing balance**
	₦'000	**₦'000**	**₦'000**
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	7,339,233	9,432,352	16,771,585
Provision for doubtful debts	647,763	51,580	699,343
Other provisions	120,070	768,113	888,183
Total	**8,107,066**	**10,252,045**	**18,359,111**

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14.4 Pioneer Status

The pioneer status of lines 1&2 of our Obajana plant and Gboko plant expired on 31st December 2013. In determining the tax liability, the Directors have exercised our right of election in line with the commencement rule in Part IV of CITA 2004. This implies that the Company will be assessed on an actual year basis for tax. This may result in a higher effective tax rate for the 2016 Financial Year.

15 Property, plant and equipment

15.1 The Group

	Leasehold improvements & Buildings ₦'000	Plant and machinery ₦'000	Motor Vehicles ₦'000	Aircraft ₦'000	Furniture & Equipment ₦'000	Capital Work-In-Progress ₦'000	Total ₦'000
Cost or deemed cost							
At 1st January 2013	**34,570,070**	**314,038,199**	**32,749,196**	**1,504,557**	**1,392,004**	**136,546,504**	**520,800,530**
Additions	443,392	8,607,353	5,883,413	-	426,607	135,255,235	150,616,000
Reclassifications	(25,161,934)	(2,089,621)	12,475,426	-	(19,989)	14,796,118	-
Other reclassifications	-	-	(5,388)	-	-	(6,480,854)	(6,486,242)
Write-off/disposal	(145)	(13,755)	(169,572)	(1,504,557)	(1,048)	(1,413)	(1,690,490)
Effect of currency exchange differences	26,005,913	(473,991)	119,592	-	(20,933)	(32,096,495)	(6,465,914)
Balance at 31st December 2013	**35,857,296**	**320,068,185**	**51,052,667**	**-**	**1,776,641**	**248,019,095**	**656,773,884**
Additions	773,390	6,006,722	4,509,514	-	231,107	205,671,455	217,192,188
Reclassifications (Notes 15.1)	5,584,764	70,309,366	14,337,358	4,027,897	4,401	(94,263,786)	-
Other reclassifications (Notes 15.2)	(30,184)	(306,898)	379,180	-	(5,381)	(9,821,767)	(9,785,050)
Disposal (Notes 15.3)	-	(1,700,878)	(688,132)	-	-	-	(2,389,010)
Write-off (Notes 15.4)	-	(737,879)	(961,247)	-	-	(69,596)	(1,768,722)
Effect of currency exchange differences	(82,442)	(247,522)	(88,000)	-	(17,261)	(1,563,432)	(1,998,657)
Balance at 31st December 2014	**42,102,824**	**393,391,096**	**68,541,340**	**4,027,897**	**1,989,507**	**347,971,969**	**858,024,633**
Accumulated depreciation and impairment							
At 1st January 2013	**2,127,030**	**31,092,905**	**9,080,965**	**31,345**	**376,708**	**-**	**42,708,953**
Depreciation expense	1,681,394	18,921,007	12,174,221	376,139	403,410	-	33,556,171
Write-off/Disposal	-	(6,390)	(127,245)	(407,484)	(1,534)	-	(542,653)
Effect of currency exchange differences	(5,277)	(124,353)	(270,268)	-	(13,805)	-	(413,703)
Balance at 31st December 2013	**3,803,147**	**49,883,169**	**20,857,673**	**-**	**764,779**	**-**	**75,308,768**
Depreciation expense	1,929,449	20,614,407	12,670,214	311,196	459,370	-	35,984,636
Other reclassifications (Notes 15.2)	-	-	379,180	-	-	-	379,180
Disposal(Notes 15.3)	-	(181,643)	(662,062)	-	-	-	(843,705)
Write-off (Notes 15.4)	-	(34,087)	(637,642)	-	-	-	(671,729)
Effect of currency exchange differences	19,810	14,076	35,760	-	4,017	-	73,663
Balance at 31st December 2014	**5,752,406**	**70,295,922**	**32,643,123**	**311,196**	**1,228,166**	**-**	**110,230,813**
Carrying amounts							
At 31st December 2013	32,054,149	270,185,016	30,194,994	-	1,011,862	248,019,095	581,465,116
At 31st December 2014	**36,350,418**	**323,095,174**	**35,898,217**	**3,716,701**	**761,341**	**347,971,969**	**747,793,820**

15.1 Represents transfer from capital work in progress to various classes of assets

15.2 Includes amount transferred to related parties, adjustment in respect of some capitalisation done in 2013 and depreciation on assets used for project work capitalised.

15.3 Represent power plants and motor trucks disposed of during the year

15.4 Represents cost of damaged motor trucks and impairment of plant & machinery charged to profit or loss

15.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the group

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15. Plant, property and equipment
15.2 The Company

	Leasehold improvements & Buildings ₦'000	Plant and machinery ₦'000	Motor Vehicles ₦'000	Aircraft ₦'000	Furniture & Equipment ₦'000	Capital Work-In-Progress ₦'000	Total ₦'000
Cost or deemed cost							
At 1st January 2013	**31,222,024**	**309,525,230**	**29,652,233**	**1,504,557**	**917,545**	**46,823,737**	**419,645,326**
Additions	200,979	5,625,920	5,238,651	-	258,191	96,786,147	108,109,888
Reclassifications	1,264,580	345,454	12,440,150	-	62,720	(14,112,904)	-
Other reclassifications	-	-	-	-	-	(744,781)	(744,781)
Write off/disposal	-	-	(169,463)	1,504,557)	-	(15,000)	(1,689,020)
Balance at 31st December 2013	**32,687,583**	**315,496,604**	**47,161,571**	**-**	**1,238,456**	**128,737,199**	**525,321,413**
Additions	37,660	2,578,022	618,093	-	90,690	118,472,497	121,796,962
Reclassifications (note 15.1)	2,559,162	12,245,292	14,114,603	4,027,897	4,401	(32,951,355)	-
Other reclassifications (note 15.2)	-	(306,898)	-	-	(5,381)	(10,281,228)	(10,593,507)
Disposal (note 15.3)	-	(1,700,878)	(688,132)	-	-	-	(2,389,010)
Write off (note 15.4)	-	(737,879)	(914,555)	-	-	-	(1,652,434)
Balance at 31st December 2014	**35,284,405**	**327,574,263**	**60,291,580**	**4,027,897**	**1,328,166**	**203,977,113**	**632,483,424**
Accumulated depreciation							
Balance at 1st January 2013	**2,102,916**	**30,497,754**	**8,897,262**	**31,345**	**251,818**	**-**	**41,781,095**
Depreciation expense	1,666,503	18,587,258	11,084,907	376,139	313,351	-	32,028,158
Write off/disposal	-	-	(127,245)	(407,484)	-	-	(534,729)
Balance at 31st December 2013	**3,769,419**	**49,085,012**	**19,854,924**	**-**	**565,169**	**-**	**73,274,524**
Depreciation expense	1,812,200	19,437,825	12,071,752	311,196	335,327	-	33,968,300
Disposal (note 15.3)	-	(181,643)	(662,062)	-	-	-	(843,705)
Write off (note 15.4)	-	(34,087)	(603,086)	-	-	-	(637,173)
Balance at 31st December 2014	**5,581,619**	**68,307,107**	**30,661,528**	**311,196**	**900,496**	**-**	**105,761,946**
Carrying amounts							
At 31st December 2013	28,918,164	266,411,592	27,306,647	-	673,287	128,737,199	452,046,889
At 31st December 2014	**29,702,786**	**259,267,156**	**29,630,052**	**3,716,701**	**427,670**	**203,977,113**	**526,721,478**

15.1 Represents transfer from capital work in progress to various classes of assets

15.2 Includes amount transferred to other subsidiaries and related parties, and adjustment in respect of some capitalisation done in 2013.

15.3 Represent power plants and motor trucks disposed of during the year

15.4 Represents cost of damaged motor trucks and impairment of plant & machinery charged to profit or loss

15.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the company

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16. Intangible Assets

	Group		
	Computer Software ₦'000	Exploration Assets ₦'000	Total ₦'000
Cost			
At 1st January 2013	**442,116**	**1,648,062**	**2,090,178**
Additions	308,157	134,055	442,212
Other reclassifications	585,749	-	585,749
Adjustment	(1,867)	-	(1,867)
Effect of foreign currency differences	(35,759)	(287,027)	(322,786)
Balance at 31st December 2013	**1,298,396**	**1,495,090**	**2,793,486**
Additions	966,928	629,393	1,596,321
Other reclassifications	30,184	-	30,184
Effect of foreign currency differences	6,684	44,743	51,427
Balance at 31st December 2014	**2,302,192**	**2,169,226**	**4,471,418**
Amortization			
At 1st January 2013	**363,444**	**-**	**363,444**
Amortization expense	149,335	-	149,335
Adjustment	(813)		(813)
Effect of foreign currency differences	(24,650)	-	(24,650)
Balance at 31st December 2013	**487,316**	**-**	**487,316**
Amortization expense	266,059	15,152	281,211
Effect of foreign currency differences	3,911	445	4,356
Balance at 31st December 2014	**757,286**	**15,597**	**772,883**
Carrying amounts			
At 31st December 2013	811,080	1,495,090	2,306,170
At 31st December 2014	**1,544,906**	**2,153,629**	**3,698,535**

Intangible asset (Computer software) represents software which has a useful life of 3 years and is amortized on a straight line basis over these years.

	Company		
	Computer Software ₦'000	Exploration Assets ₦'000	Total ₦'000
Cost			
At 1st January 2013	**225,604**	**-**	**225,604**
Additions	222,590	-	222,590
Other reclassification	585,749		585,749
Balance at 31st December 2013	**1,033,943**	**-**	**1,033,943**
Additions	243,893	-	243,893
Balance at 31st December 2014	**1,277,836**	**-**	**1,277,836**
Amortization			
At 1st January 2013	224,756	-	224,756
Amortization expense	136,997	-	136,997
Balance at 31st December 2013	**361,753**	**-**	**361,753**
Amortization expense	233,756	-	233,756
Balance at 31st December 2014	**595,509**	**-**	**595,509**
At 31st December 2013	672,190	-	672,190
At 31st December 2014	**682,327**	**-**	**682,327**

16.1 Other reclassification represents portion of Computer software reclassified from property, plant and equipment

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17. Information regarding subsidiaries

17.1 Subsidiaries

The Group's subsidiaries at the end of the reporting period are as follows;

Name of subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
			31-Dec-14	31-Dec-13
Sephaku Cement (Pty) Limited	Cement production	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	94.00%	86.96%
Dangote Industries (Zambia) Limited	Cement production	Zambia	75.00%	75.00%
Dangote Cement Senegal S.A	Cement production	Senegal	90.00%	90.00%
Dangote Cement Cameroon S.A	Cement Grinding	Cameroon	80.00%	80.00%
Dangote Industries Limited, Tanzania	Cement production	Tanzania	70.00%	70.00%
Dangote Cement Congo S.A	Cement production	Congo	100.00%	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	99.60%	99.60%
Dangote Cement Cote D'Ivoire S.A	Bagging and distribution of cement	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Cement grinding	Gabon	80.00%	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	100.00%	100.00%
Dangote Cement - Liberia Ltd.	Bagging and distribution of cement	Liberia	100.00%	100.00%
Dangote Cement Marketing Senegal SA	Selling and distribution	Senegal	100.00%	100.00%
Dangote Cement Burkina Faso SA	Selling and distribution	Burkina Faso	95.00%	-
Dangote Cement Chad SA	Selling and distribution	Chad	95.00%	-
Dangote Cement Mali SA	Selling and distribution	Mali	95.00%	-
Dangote Cement Niger SARL	Selling and distribution	Niger	95.00%	-
Dangote Industries Benin S.A.	Selling and distribution	Benin	98.00%	-
Dangote Cement Togo S.A.	Selling and distribution	Togo	90.00%	-
Dangote Cement Kenya Limited	Cement production	Kenya	90.00%	-
Dangote Quarries Kenya Limited	Limestone mining	Kenya	90.00%	-
Dangote Cement Madagascar Limited	Cement production	Madagascar	95.00%	-
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	95.00%	-
Indirect Subsidiaries				
Names of Sephaku Cement (Pty) Limited Subsidiaries				
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	100.00%	100.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	100.00%	100.00%
Sephaku Limestone and Exploration (Pty) Ltd	Exploration	South Africa	80.00%	80.00%
Sephaku Enterprise Development (Pty) Ltd	Social responsibility	South Africa	100.00%	100.00%
Portion 11 Klein Westerford Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%
Name of Dangote Industries (Zambia) Limited subsidiary				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	50.10%	50.10%

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17.2 Investments

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Sephaku Cement (Pty) Limited	-	-	24,283,254	24,283,254
Dangote Industries (Ethiopia) Plc	-	-	1,618,936	732,657
Dangote Industries (Zambia) Limited	-	-	115	115
Dangote Cement Senegal S.A	-	-	29,448	29,448
Dangote Cement Cameroon S.A	-	-	8,807	8,807
Dangote Industries Limited, Tanzania	-	-	69,636	69,636
Dangote Cement Congo S.A	-	-	3,481	785
Dangote Cement (Sierra Leone) Limited	-	-	18,048	72,190
Dangote Cement Cote D'Ivoire S.A	-	-	16,044	3,082
Dangote Industries Gabon S.A	-	-	5,748	3,081
Dangote Cement Marketing Senegal SA	-	-	4,232	4,232
Dangote Cement Burkina Faso SA	-	-	3,238	-
Dangote Cement Chad SA	-	-	3,238	-
Dangote Cement Mali SA	-	-	3,238	-
Dangote Cement Niger SARL	-	-	5,226	-
Dangote Cement Madagascar Limited	-	389	389	389
Dangote Industries Benin SA	-	-	3,354	-
Dangote Cement Togo SA	-	-	838	-
Societe des Ciments d' Onigbolo	-	-	1,582,369	1,582,369
	-	**389**	**27,659,639**	**26,790,045**
Impairment	-	-	(1,582,369)	(1,582,369)
Total	**-**	**389**	**26,077,270**	**25,207,676**

During the year there was a conversion of receivable to investment for Dangote Industries (Ethiopia) Plc. leading to a change in interest held in the subsidiary. Investment in Dangote Cement (Sierra Leone) Limited was adjusted to reflect the correct investment value.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

17.3 Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2014	2013
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Selling and distribution	Senegal	1	1
Bagging and distribution of cement	Ghana	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2014	2013
Clinker & cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement grinding	Cameroon	1	1
Cement production	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Cote D'Ivoire	1	1
Cement grinding	Gabon	1	1
Selling and distribution	Burkina Faso	1	-
Selling and distribution	Chad	1	-
Selling and distribution	Mali	1	-
Selling and distribution	Niger	1	-
Cement production	Kenya	2	-
Cement production	Madagascar	1	-
Selling and distribution	Benin	1	-
Selling and distribution	Togo	1	-
Cement production	Mozambique	1	-

Details of Non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss)allocated to non-controlling interests		Accumulated non -controlling interests	
		2014	2013	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Sephaku Cement (Pty) Ltd	South Africa	36.00%	36.00%	648,996	(239,798)	6,688,858	5,869,358

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17.3 Summarised below is the financial information in respect of the Group's subsidiary that has material non-controlling interests. Information below represent amounts before intragroup eliminations.

	Sephaku Cement (Pty) Limited	
	2014	**2013**
	₦'000	**₦'000**
The information in respect of the financial position of the subsidiaries		
Current assets	7,095,743	1,969,598
Non-current assets	59,581,656	50,131,941
Current liabilities	10,922,829	5,400,234
Non-current liabilities	37,174,409	30,397,532
Equity attributable to owners of the Company	18,502,142	16,225,754
Non-controlling interests	78,019	78,019
Information in respect of the profit and loss and other comprehensive income		
Revenue	13,909,542	599,906
Expenses	(14,189,855)	(1,451,176)
Tax credit	2,083,079	185,165
Profit/(loss) for the year	**1,802,766**	**(666,105)**
Profit/(loss) attributable to owners of the Company	1,153,770	(426,307)
Profit/(loss) attributable to the non-controlling interests	648,996	(239,798)
Profit/(loss) for the year	**1,802,766**	**(666,105)**
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of the Company	1,153,770	(426,307)
Total comprehensive income attributable to the non-controlling interests	648,996	(239,798)
Total comprehensive income for the year	**1,802,766**	**(666,105)**
Information in respect of the cash flows of the subsidiaries		
Dividends paid to non-controlling interests	-	-
Net cash inflow from operating activities	365,780	668,675
Net cash outflow from investing activities	(7,008,072)	(7,813,156)
Net cash inflow from financing activities	7,229,735	7,710,667
Net cash inflow	**587,443**	**566,186**

Notes to the Consolidated and Separate Financial Statements
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17.4 Change in the Group's ownership interest in a subsidiary
There was no disposal of investment in any of the subsidiaries undertaken by the Company during the reporting year, however there was a change in the interest held in Dangote Industries (Ethiopia) Plc. (see note 17.1).

17.5 Significant restrictions
There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

17.6 Financial Support to consolidated structured entities
During the year, the Company provided financial support to its subsidiaries for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

As part of the requirements of the Syndicated Term Loan of R1.95bn facility from Nedbank Capital and Standard Bank of South Africa for the finance of the Group's South African plant in 2012, the Company extended an interest bearing subordinated loan to Sephaku Cement to the tune of R265 Million as a guarantee to help access the remainder of its loan with Nedbank/Standard Bank. This loan is expected to be repaid in two tranches at an interest rate of Johannesburg Inter-Bank Agreed Rate (JIBAR) plus 4% per annum but in order for the Company to fulfil this, it entered into a contractual obligation with Zenith Bank Plc. to avail a credit facility for a Term Loan to be on lent to Sephaku Cement Limited. The loan has a quarterly interest rate payment of 6% per annum and is expected to have a bullet repayment of principal upon maturity which is 48 months from the date the loan was advanced. In addition, the loan has been secured by a debenture over all fixed and floating assets of Dangote Cement Plc.

All financial support given on behalf of the subsidiaries have been accounted for as receivables from subsidiaries and eliminated on consolidation.
The table below shows the financial support given to major subsidiaries by the Company during the year:

	2014 ₦'000	2013 ₦'000
Dangote Cement Ghana Limited	689,659	2,571,478
Dangote Cement Senegal S.A	6,334,923	13,430,214
Dangote Industries (Zambia) Limited	20,315,511	10,291,555
Dangote Cement Cameroon S.A	4,207,768	6,423,823
Dangote Industries (Ethiopia) Plc	13,793,231	23,309,076
Dangote Industries Limited, Tanzania	21,972,294	18,646,285
Dangote Cement (Sierra Leone) Limited	837,923	1,043,736
Dangote Cement Congo S.A	13,118,619	540,545
Dangote Cement Cote D'Ivoire S.A	475,661	380,346
Dangote Industries Gabon S.A	-	16,616
Dangote Cement Liberia Ltd.	27,687	114,221
Total	**81,773,276**	**76,767,895**

The Group management has continued to show intentions to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 7% to 10%.

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18. Prepayments

18.1 Prepayments for property, plant & equipment	**Group**		**Company**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Non-current				
Advance to contractors	79,490,715	91,715,470	1,772,564	23,950,013
Total non-current prepayments	**79,490,715**	**91,715,470**	**1,772,564**	**23,950,013**

18.2 Prepayments and other current assets

Advance to contractors	26,623,838	23,301,601	25,542,639	20,941,803
Deposits for imports	17,880,447	12,616,503	17,880,447	12,602,408
Rent, rates and insurance	2,203,153	1,095,512	1,858,130	1,008,243
Total current prepayments	**46,707,438**	**37,013,616**	**45,281,216**	**34,552,454**
Related party transactions				
Parent company	-	-	-	-
Entities controlled by the parent company	10,937,734	2,158,775	10,937,734	1,772,677
Affiliates and associates of parent company	537,602	473,441	537,602	473,441
Total related party transactions	11,475,336	2,632,216	11,475,336	2,246,118
Prepayments and other current assets	**58,182,774**	**39,645,832**	**56,756,552**	**36,798,572**

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of LPFO, AGO, coal and other materials which were not received at the year end.

	Group		**Company**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
19. Inventories				
Finished product	4,303,990	3,022,790	2,973,154	2,539,486
Work-in-progress	4,754,100	1,705,281	2,603,110	1,613,305
Raw materials	3,930,796	3,002,453	3,014,644	1,614,985
Packaging materials	1,323,521	1,221,501	995,089	1,120,276
Consumables	4,233,467	3,968,817	4,160,525	3,906,947
Fuel	9,248,920	3,717,367	9,170,970	3,680,771
Spare parts	13,473,400	9,434,740	12,875,023	8,988,935
Goods in transit	1,419,646	1,594,339	522,064	112,041
	42,687,840	**27,667,288**	**36,314,579**	**23,576,746**

The cost of inventories recognised as an expense during the year was ₦ 85.87 billion and ₦79.98 billion (2013: ₦67.2 billion and ₦66.1 billion) in the consolidated and separate financial statements respectively.

Notes to the Consolidated and Separate Financial Statements
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20. Trade and other receivables

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Trade receivables	5,526,204	9,386,389	2,398,315	9,093,143
Impairment allowance on trade receivables	(1,303,443)	(2,716,140)	(1,297,685)	(2,632,625)
	4,222,761	**6,670,249**	**1,100,630**	**6,460,518**
Deposit for supplies	5,836,896	2,244,611	5,530,589	1,222,038
Staff loans and advances	656,153	640,723	619,620	602,606
Other receivables	4,924,467	1,932,508	1,211,889	835,678
	15,640,277	**11,488,091**	**8,462,728**	**9,120,840**

Trade Receivables
The average credit period on sales of goods for both the Group and Company is as shown below.

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements respectively, ₦301 million (2013: ₦ 549 million) is due from the Group and Company's largest trade debtor respectively. There are no other customers who represent more than 10% of the total balance of trade receivables of the Group and Company respectively.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Trade receivables are considered to be past due when they exceed the credit period granted.

Age of receivables that are past due and not impaired

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
0 - 60 days	1,219,413	2,022,057	766,831	1,984,950
60 - 90 days	186,250	129,728	117,431	129,728
90 - 120 days	83,428	2,144,764	24,581	2,144,764
Total	**1,489,091**	**4,296,549**	**908,843**	**4,259,442**
Average age (days)	**27**	**58**	**25**	**58**

	Group		Company	
Movement in the allowance for doubtful debts	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Balance at the beginning of the year	2,716,140	1,375,331	2,632,625	1,371,050
Impairment losses recognised on receivables	6,972	1,342,630	-	1,261,575
Amounts written off during the year as uncollectible	(1,334,940)	-	(1,334,940)	-
Impairment losses reversed	(84,729)	(1,821)	-	-
Balance at the end of the year	**1,303,443**	**2,716,140**	**1,297,685**	**2,632,625**

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

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Age of past due and impaired trade receivables

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
60-90 days	-	1,345,090	-	1,261,575
90-120 days	-	-	-	-
120+ days	1,303,443	1,371,050	1,297,685	1,371,050
	1,303,443	**2,716,140**	**1,297,685**	**2,632,625**

21. Share capital	**Group and Company**	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**
Issued and fully paid		
Share capital 17,040,507,405		
(2013: 17,040,507,405) ordinary shares of ₦0.5 each	8,520,254	8,520,254
Share premium	42,430,000	42,430,000
	50,950,254	**50,950,254**

Authorised capital as at reporting dates represents 20,000,000,000 ordinary shares of ₦0.5 each.

Fully paid ordinary share carries one vote per share and a right to dividends when declared and approved.

22.Dividend

On 2nd May 2014, a dividend of ₦7.00 per share (total dividend ₦119.28 bn) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to the 2013 financial year.

In respect of the current year, the Directors proposed that a dividend of ₦6.00 per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

23. Trade and other payables

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Trade payables	34,535,123	23,433,122	33,084,985	21,069,878
Payable to contractors	19,015,061	12,974,879	9,062,666	11,065,492
Value added tax	5,740,652	11,073,872	5,740,652	11,073,872
Withholding tax payable	3,694,683	564,750	1,231,477	556,404
Staff pension (Note 27.1)	133,606	135,787	94,088	131,390
Interest payable	6,622,738	5,797,524	6,622,738	5,797,524
Advances from customers	9,352,041	13,378,789	9,056,976	13,056,462
Other accruals and payables	21,836,094	16,078,809	15,513,897	11,760,355
	100,929,998	**83,437,532**	**80,407,479**	**74,511,377**

The average credit period on purchases of goods is 94 days (2013: 66 days). Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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	Group		Company	
24. Borrowings	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Unsecured borrowings at amortised cost				
Subordinated loans (Note 24(a))	29,988,945	29,996,737	29,988,945	29,996,737
Loans from Dangote Industries Limited	125,000,000	45,000,000	125,000,000	45,000,000
Bulk Commodities loans	514,214	514,214	514,214	514,214
	155,503,159	**75,510,951**	**155,503,159**	**75,510,951**
Secured borrowings at amortised cost				
Power intervention loan (Note 24 (b))	16,743,303	18,481,074	16,743,303	18,481,074
Bank loans	70,335,144	87,147,755	29,630,633	56,518,482
	87,078,447	**105,628,829**	**46,373,936**	**74,999,556**
Total borrowings at 31st December 2014	**242,581,606**	**181,139,780**	**201,877,095**	**150,510,507**
Long-term portion of loans and borrowings	131,941,708	124,850,394	95,435,088	95,079,111
Current portion repayable in one year and shown under current liabilities	106,450,224	55,433,696	106,442,007	55,431,396
Overdraft balances	4,189,674	855,690	-	-
	110,639,898	**56,289,386**	**106,442,007**	**55,431,396**

(a) A subordinated loan of ₦55.4 billion was obtained by the Company from Dangote Industries Limited in 2010. ₦30 billion was long-term and the remaining balance was short term and is repayable on demand. The long-term loan is unsecured, with interest at 10% per annum and is repayable in 3 years after a moratorium period ending 31 March 2017. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been accounted for as capital contribution.

(b) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company a ₦ 24.5 billion long-term loan repayable over 10 years at an all-in annual interest rate of 7% for part financing or refinancing the construction cost of the power plants at the Company's factories under the Power and Aviation Intervention Fund. The loan has a moratorium of 12 months. Given the concessional terms at which the Company secured the loan, it is considered to have an element of government grant. Using prevailing market interest rates for an equivalent loan of 12.5%, the fair value of the loan is estimated at ₦ 20.7 billion. The difference of ₦3.8 billion between the gross proceeds and the fair value of the loan is the benefit derived from the low interest loan and is recognised as deferred revenue. The facility is secured by a debenture on all fixed and floating assets of the Company to be shared pari passu with existing lenders.

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	Currency	Nominal interest rate	Maturity on demand	Group 31-Dec-14 ₦'000	Group 31-Dec-13 ₦'000
Bank overdrafts			On demand	4,189,674	855,690
Other borrowings					
Subordinated loans from Parent company	Naira	10%	12/2019	29,988,945	29,996,737
Other loans from Parent Company	Naira	10%	12/2019	125,000,000	45,000,000
Loan from Bulk Commodities Inc.	Naira	6%	On demand	514,214	514,214
Power intervention loan	Naira	7%	07&12/2021	16,743,303	18,481,074
Syndicated Bank loans	Naira	10-15%	12/2013&2014	-	5,333,333
Short term Loans from Banks	USD	6%	2015	29,630,633	51,185,149
Nedbank/Standard Bank Loan	Rands	9.95%	11/2022	36,514,837	29,773,583
				238,391,932	**180,284,090**
Total borrowings at 31st December				**242,581,606**	**181,139,780**

	Currency	Nominal interest rate	Maturity	Company 31-Dec-14 ₦'000	Company 31-Dec-13 ₦'000
Other borrowings					
Subordinated loans	Naira	10%	12/2019	29,988,945	29,996,737
Loans from parent Company	Naira	10%	12/2019	125,000,000	45,000,000
Loan from Bulk Commodities Inc.	Naira	6%	On demand	514,214	514,214
Power intervention loan	Naira	7%	07 & 12/2021	16,743,303	18,481,074
Syndicated bank loans	Naira	10-15%	12/2013 & 2014	-	5,333,333
Short term loans from banks	USD	6%	2015	29,630,633	51,185,149
Total borrowings at 31st December				**201,877,095**	**150,510,507**

The maturity profile of borrowings is as follows:

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Due within one month	4,596,556	6,930,926	406,349	6,075,046
Due from one to three months	251,065	1,333,727	250,000	1,333,333
Due from three to twelve months	105,792,277	48,024,733	105,785,658	48,023,017
Total current portion repayable in one year	**110,639,898**	**56,289,386**	**106,442,007**	**55,431,396**
Due in the second year	7,849,601	6,879,342	2,625,397	2,625,397
Due in the third year	7,849,601	6,879,570	2,625,397	2,625,397
Due in the fourth year	37,208,790	34,137,474	31,984,586	29,883,047
Due in the fifth year and further	79,033,716	76,954,008	58,199,708	59,945,270
Total long-term portion of loans and borrowings	**131,941,708**	**124,850,394**	**95,435,088**	**95,079,111**
Total	**242,581,606**	**181,139,780**	**201,877,095**	**150,510,507**

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25 Deferred Revenue

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
25.1 Deferred revenue arising from government grant (refer to (a) below	1,868,501	2,410,237	1,868,501	2,410,237
Current	478,616	541,736	478,616	541,736
Non-current	1,389,885	1,868,501	1,389,885	1,868,501
	1,868,501	**2,410,237**	**1,868,501**	**2,410,237**

a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012 (see note 24b). The revenue was recorded in the other income line.

Movement in Deferred revenue

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
At 1st January	2,410,237	3,012,492	2,410,237	3,012,338
Released to profit and loss account (Other income)	(541,736)	(602,255)	(541,736)	(602,101)
Closing balance	**1,868,501**	**2,410,237**	**1,868,501**	**2,410,237**

25.2 Other current liabilities

Current portion of deferred revenue (Note 25.1)	478,616	541,736	478,616	541,736
Related party transactions				
Parent company	5,695,682	7,476,324	5,695,682	7,815,606
Entities controlled by the parent company	5,925,230	14,445,936	5,358,926	10,470,145
Affiliates and associates of parent company	6,797,958	2,009,958	4,965,748	1,656,849
	18,418,870	23,932,218	16,020,356	19,942,600
Other current liabilities	**18,897,486**	**24,473,954**	**16,498,972**	**20,484,336**

26 Provisions for liabilities and other charges

	Group		Company	
	31-Dec-14 ₦'000	**31-Dec-13 ₦'000**	**31-Dec-14 ₦'000**	**31-Dec-13 ₦'000**
Balance at beginning of the year	376,665	487,310	233,856	274,782
Effect of foreign exchange differences	(20,560)	(93,586)	-	-
Provisions made during the year	259,382	(50,031)	32,596	(73,898)
Unwinding of discount	28,063	32,972	28,063	32,972
	643,550	**376,665**	**294,515**	**233,856**
Witholding tax payables	3,367,838	-	-	-
Balance at the end of the year	**4,011,388**	**376,665**	**294,515**	**233,856**

The above provisions represent:

- The Group's obligations to settle environmental restoration and dismantling / decommissioning cost of property, plant and equipment. The expenditure is expected to be utilised at the end of the useful lives of the mines which is estimated to be between the years 2025 to 2035.

- Non current witholding tax on loan from the parent company intended to be remitted to tax authorities as and when due.

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27. Employee Benefits

27.1 Defined contribution plans

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance at beginning of the year	135,787	169,658	131,390	169,658
Provision for the year	721,554	512,191	447,719	507,794
Payments during the year	(723,735)	(546,062)	(485,021)	(546,062)
Balance at the end of the year	**133,606**	**135,787**	**94,088**	**131,390**

Provisions for staff pensions have been made in the financial statements in accordance with the Pension Reform Act 2004. The accrual at 31st December 2014 amounted to ₦134 million (2013: ₦136 million) for the group.

Outstanding staff pension deductions that have not been remitted as at year end have been accrued for in accordance with the Pension Reform Act, 2004. The employees of the Group are members of a State arranged Pension scheme which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions. The total expense recognised in profit or loss of ₦ 722 million (2012: ₦ 512 million) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

27.2 Defined benefit plan

The Group operates a funded defined benefit plan (gratuity) for qualifying employees of the Group. Under the plan, the employees are entitled to a lump sum benefits on attainment of a retirement age or on disengagement after contributing a specific number of years in service. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2014 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 plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities and money market instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund

Interest Rate Risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

Salary Risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

	Group & Company	
	31-Dec-14	31-Dec-13
	%	%
Discount rate(s)	15	14
Expected rate(s) of salary increase	12	12
Inflation rate	9	9

Movements in the fair value of plan assets are as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
At 1st January	626,221	358,259
Interest income	103,947	59,070
Remeasurement loss- Return on plan assets excluding		
amounts included in net interest expense	(40,228)	(3,772)
Contributions by employer	273,918	212,664
At 31st December	**963,858**	**626,221**

Movements in the present value of the defined benefit obligation are as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
At 1st January	2,588,861	2,101,935
Current service cost	620,844	582,987
Interest cost	355,976	271,345
Remeasurement (gains)/losses- Actuarial gain	(489,945)	(284,262)
Benefits paid	(42,418)	(83,144)
At 31st December	**3,033,318**	**2,588,861**

The major categories of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	%	%	₦'000	₦'000
Government securities	12	12	496,472	415,493
Cash	-	-	12,217	40
Money market instruments	13	14	469,672	218,163
			978,361	**633,696**
Liability on plan assets			(14,503)	(7,475)
			963,858	**626,221**

The fair value of the above assets are based on quoted prices in active markets
The actual return on plan assets was ₦63.7 million (2013: ₦55.3 million).

The Group expects to make a contribution of ₦250 million (2013: ₦200 million) to the defined benefit plans during the next financial year.

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

	Group & Company	
	31-Dec-14	**31-Dec-13**
	₦'000	**₦'000**
Current service cost	620,844	582,987
Net Interest expense	252,029	212,275
	872,873	**795,262**

Amounts recognised in other comprehensive income are as follows

	Group & Company	
	31-Dec-14	**31-Dec-13**
	₦'000	**₦'000**
Remeasurement on the net defined liability		
Actuarial gain on defined benefit obligation	489,945	284,262
Return on plan assets (excluding amounts included in net interest)	(40,228)	(3,772)
	449,717	**280,490**

The amount included in the consolidated and separate statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Group & Company	
	31-Dec-14	**31-Dec-13**
	₦'000	**₦'000**
Present value of defined benefit obligations	3,033,318	2,588,861
Fair value of plan assets	(963,858)	(626,221)
Net liability arising from defined benefit obligation	**2,069,460**	**1,962,640**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₦345 million (increase by ₦412 million) (2013: decrease by ₦320 million (increase by ₦387 million)).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₦435 million (decrease by ₦367 million) (2013: increase by ₦403 million (decrease by ₦338 million)).
- If the assumed mortality age is rated up (down) by 1year, the defined benefit obligation would increase by ₦24 million (decrease by ₦22 million) (2013: increase by ₦20 million (decrease by ₦18 million)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31st December 2014 is 15 years (2013: 16 years).

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28. Financial Instruments

28.1 Capital Management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The capital structure of the Group consists of net debt (borrowings as detailed in note 24 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below.

	Group		Company	
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Net debt	221,988,466	110,638,197	185,527,584	83,067,645
Equity	591,886,155	550,093,270	638,543,114	571,562,826

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net gearing ratio which provides benefits of trading on equity without exposing the Group to any undue long term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The net debt to equity ratio as at 31st December 2014 is 38% (2013: 20%). The Group is anticipating this will increase going forward.

28.1.1 Debt to equity ratio
The debt to equity ratio at end of the reporting period was as follows:

	Group		Company	
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Debt (Note 24)	242,581,606	181,139,780	201,877,095	150,510,507
Cash and bank balances (Note 30.1)	20,593,140	70,501,583	16,349,511	67,442,862
Net debt	221,988,466	110,638,197	185,527,584	83,067,645
Equity	591,886,155	550,093,270	638,543,114	571,562,826
Net debt/ Equity ratio	38%	20%	29%	15%

28.2 Categories of financial instruments

	Group		Company	
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Financial assets- Loans and receivables				
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
Trade and other receivables(Note 28.2.1)	9,803,381	9,243,480	2,932,139	7,898,802
Due from related parties and receivables from subsidiaries	11,475,336	2,632,216	288,625,075	166,770,999
Total financial assets	41,871,857	82,377,279	307,906,725	242,112,663
Financial liabilities- at amortised cost				
Trade and other payables (Note 28.2.2)	91,494,663	71,798,910	73,435,350	62,881,101
Bank loans	82,888,773	104,773,139	46,373,936	74,999,556
Overdraft	4,189,674	855,690	-	-
Inter-company borrowings	155,503,159	75,510,951	155,503,159	75,510,951
Due to related parties	18,418,870	23,932,218	16,020,356	19,942,600
Total financial liabilities	352,495,139	276,870,908	291,332,801	233,334,208

28.2.1 Defined as total trade and other receivables excluding prepayments, accrued income and amounts relating to taxation.

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28.2.2 Defined as total trade and other payables excluding taxation.

28.3 Financial Risk Management Objectives
The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk

28.4 Market Risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 28.5.1) and interest rates (Note 28.7.1).

28.5 Foreign Currency Risk Management
The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Group			
	Liabilities		Assets	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
US Dollars	21,251,974	56,976,357	1,231,189	851,080

	Company			
	Liabilities		Assets	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
US Dollars	21,250,217	52,436,477	275,112,906	391,204

28.5.1 Foreign Currency Sensitivity Analysis
The Group is mainly exposed to US Dollars.
The following table details the Group and Company's sensitivity to a 15% (2013: 3%)increase and decrease in the Naira against the US Dollar. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Effect on Profit or loss/Equity for a 15% (2013:3%) appreciation	2,102,053	1,683,758	(26,655,582)	1,561,358
Effect on Profit or loss/Equity for a 15% (2013:3%) depreciation	(2,102,053)	(1,683,758)	26,655,582	(1,561,358)

This is mainly attributable to the exposure outstanding on US dollar receivables and payables at the end of the reporting period.

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28.6 Credit Risk Management
Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is mainly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about ₦5 billion and these are payable within 15-30 days. Stringent credit control is exercised at the granting of credit, this is done through the review and approval by executive management based on the recommendation of the independent credit control group.

Credits to major distributors are guaranteed against bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics. There is no material single obligor exposure to report.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

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28.6.1 Maximum Exposure to Credit Risk

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Financial assets- loans and receivables				
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
Trade and other receivables	9,803,381	9,243,480	2,932,139	7,898,802
Due from related parties	11,475,336	2,632,216	288,625,075	166,770,999
	41,871,857	**82,377,279**	**307,906,725**	**242,112,663**

28.7 Liquidity Risk Management
The Group 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. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent with some sources placing covenants through the Group's parent company, none of which has been breached.

28.7.1 Liquidity Maturity Table
The following tables detail the Group and Company's remaining contractual maturity for its 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 and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

Group

	<1 month	1– 3 months	3 mths – 1yr	1 ->5 yrs
As at 31st December 2014	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	5,055,688	2,853,654	115,099,233	161,541,511
Trade payables	34,535,123	-	-	-
Other payables	56,959,540	-	-	-
Due to related parties	18,418,870			
	114,969,221	**2,853,654**	**115,099,233**	**161,541,511**

	<1 month	1– 3 months	3 mths – 1yr	1 ->5 yrs
As at 31st December 2013	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	7,305,863	3,808,567	57,269,342	170,818,874
Trade payables	23,433,122	-	-	-
Other payables	48,365,788	-	-	-
Due to related parties	23,932,218			
	103,036,991	**3,808,567**	**57,269,342**	**170,818,874**

Company

	<1 month	1– 3 months	3 mths – 1yr	1 ->5 yrs
As at 31st December 2014	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	542,945	2,238,730	112,231,407	117,630,193
Trade payables	33,084,985	-	-	-
Other payables	40,350,365	-	-	-
Due to related parties	16,020,356			
	89,998,651	**2,238,730**	**112,231,407**	**117,630,193**

	<1 month	1– 3 months	3 mths – 1yr	1 ->5 yrs
As at 31st December 2013	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	6,231,762	3,323,899	54,530,263	125,845,291
Trade payables	21,069,878	-	-	-
Other payables	41,811,223	-	-	-
Due to related parties	19,942,600			
	89,055,463	**3,323,899**	**54,530,263**	**125,845,291**

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Interest Risk
The following table details the sensitivity to a 1% increase or decrease in LIBOR (2013: 2% increase or decrease in MPR), which is the range of margin by which the Group and Company envisage changes to occur in 2015.

Sephaku's floating interest loan was tested for sensitivity using a 2% (2013: 0.5%) change in rates which is the average change in JIBAR over the last year.

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Effect on Profit or loss/Equity for a 1% (2013:2%) increase in rate	(148,772)	(202,130)	1,777,125	(53,333)
Effect on Profit or loss/Equity for a 1% (2013:2%) decrease in rate	148,772	202,130	(1,777,125)	53,333

28.7.2 Fair valuation of financial assets and liabilities
The carrying amount of trade and other receivables, cash and bank balances and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is included in impairment loss. The fair values of loans and borrowings are determined using the effective interest method. For loans and borrowings payable at fixed rates fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period. Management has determined that the fair value of loans and borrowings is not significantly different from their carrying amount.

29. Related Party Transactions
Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

29.1 Trading transactions
During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Parent company	-	-	-	-
Entities controlled by the parent company	42,540	175,992	35,514,183	18,110,749

During the year the company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Parent company	-	-	-	-
Entities controlled by the parent company	42,540	175,992	28,191,078	17,411,045

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

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The following balances were outstanding at the end of the reporting period:

	Group			
	Amounts owed by related parties		**Amounts owed to related parties**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Current				
Parent company	-	-	5,695,682	7,476,324
Entities controlled by the parent company	10,937,734	2,158,775	5,925,230	14,445,936
Affiliates and associates of parent company	537,602	473,441	6,797,958	2,009,958
	11,475,336	**2,632,216**	**18,418,870**	**23,932,218**

	Company			
	Amounts owed by related parties		**Amounts owed to related parties**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Non Current				
Entities controlled by the company	277,149,739	164,524,881	-	-

The above balances represents expenditures on projects in African countries. As these are not likely to be repaid within the next twelve months, they have been classified under non-current assets.

Current				
Parent company	-	-	5,695,682	7,815,606
Entities controlled by the parent company	10,937,734	1,772,677	5,358,926	10,470,145
Affiliates and associates of the parent company	537,602	473,441	4,965,748	1,656,849
	11,475,336	**2,246,118**	**16,020,356**	**19,942,600**

Sales of goods to related parties were made at the Group and Company's usual price lists, Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

29.2 Loans from related parties	**Group**		**Company**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Loans from affiliates and associates of the parent company	514,214	514,214	514,214	514,214
Loans from parent company	154,988,945	74,996,737	154,988,945	74,996,737

Except as described in note 24 (a), the Group has been providing loans at rates and terms comparable to the average commercial rate of interest terms prevailing in the market. The loans are unsecured.

29.3 Compensation of key management personnel
The remuneration of directors and other members of key management personnel during the year was as follows:

	Group		**Company**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Short-term benefits	254,065	137,104	254,065	137,104
Provision for staff pension benefits	-	7,885	-	7,885
	254,065	**144,989**	**254,065**	**144,989**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

Other related party transactions
In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦1.048 billion (2013: ₦877 million) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

30. Supplemental Cash Flow Disclosures

30.1 Cash and cash equivalents

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
	20,593,140	**70,501,583**	**16,349,511**	**67,442,862**
Bank overdrafts used for cash management purposes	(4,189,674)	(855,690)	-	-
Cash and cash equivalents	**16,403,466**	**69,645,893**	**16,349,511**	**67,442,862**

31. Operating Lease Arrangements
Operating leases relate to leases of depots with lease terms of between 1 and 3 years. The Group does not have an option to purchase the leased land at the expiry of the lease periods. The Group also entered into long term leases of land for 99 years.

Payments recognised as an expense

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Minimum lease payments	1,130,538	746,802	824,497	623,549

Non-cancellable operating lease commitments

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Not later than 1 year	677,789	679,519	365,581	551,204
Later than 1 year and not later than 5 years	299,499	309,784	87,269	80,672
Later than 5 years	-	-	-	-
	977,288	**989,303**	**452,850**	**631,876**

32.Commitments for expenditure

	Group		Company	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Commitments for the acquisition of property, plant and equipment	305,367,181	76,975,344	135,875,042	16,601,890

The Company also has unconfirmed letters of credit amounting to ₦13.48 billion (USD 80.26 million)as at year end.

33. Contingent Liabilities And Contingent Assets
No provision has been made in these consolidated and separate financial statements for contingent liabilities in respect of litigations against the Company and its subsidiaries amounting to ₦1.72 billion (2013: ₦14.17billion). According to the solicitors acting on behalf of the Company and its subsidiaries, the liabilities arising, if any, are not likely to be significant.

34. Subsequent Events
In January 2015, our subsidiary in Senegal commenced cement production. Our Cameroon subsidiary, Dangote Cement Cameroon SA has commenced trial production.

On 19th March, 2015 a dividend of ₦6.00 per share which will result in ₦102.2billion total dividend was recommended by the Directors for approval on the Annual General Meeting.

Consolidated Four-year Financial Summary Non IFRS Statement

GROUP BALANCE SHEET	2014 ₦'000	2013 ₦'000	2012 ₦'000	2011 ₦'000
Assets/liabilities				
Property, plant and equipment	747,793,820	581,465,116	478,091,577	397,711,068
Intangible assets	3,698,535	2,306,170	1,726,734	1,797,127
Investments	-	389	-	50
Prepayments for property, plant & equipment	79,490,715	91,715,470	45,015,692	52,395,768
Net current liabilities	(95,844,738)	(15,463,975)	(12,135,067)	(49,196,828)
Deferred taxation (liabilities)/assets	(3,839,736)	19,128,300	8,941,306	(1,196,798)
Long term debts	(131,941,708)	(124,850,394)	(112,462,464)	(116,766,429)
Staff gratuity	(2,069,460)	(1,962,640)	(1,743,676)	(1,372,514)
Other non-current liabilities	(5,401,273)	(2,245,166)	(2,897,701)	(1,557,069)
Net Assets	**591,886,155**	**550,093,270**	**404,536,401**	**281,814,375**
Capital And Reserves				
Share capital	8,520,254	8,520,254	8,520,254	7,745,685
Share premium	42,430,000	42,430,000	42,430,000	42,430,000
Capital Contribution	2,876,642	2,876,642	2,876,642	2,876,642
Employee benefit reserve	(16,075)	(465,792)	(746,282)	(473,946)
Currency translation reserve	(3,836,663)	(4,752,664)	(1,443,862)	-
Revenue reserve	537,750,794	496,455,952	345,665,182	220,689,333
Non controlling interest	4,161,203	5,028,878	7,234,467	8,546,661
	591,886,155	**550,093,270**	**404,536,401**	**281,814,375**
Turnover, Profit and Loss account				
Turnover	391,639,060	386,177,220	298,454,068	241,405,977
Profit before taxation	184,688,927	190,761,362	135,647,589	113,779,556
Taxation	(25,187,434)	10,436,726	9,376,645	(927,388)
Profit after taxation	159,501,493	201,198,088	145,024,234	112,852,168
Per share data (Naira):				
Earnings - (Basic)	9.42	11.85	8.52	7.13
Net assets	34.73	32.28	23.74	18.19

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Separate Five-year Financial Summary Non-IFRS Statement

			IFRS		
	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
COMPANY BALANCE SHEET	₦'000	₦'000	₦'000	₦'000	₦'000
Assets/(Liabilities)					
Property, plant and equipment	526,721,478	452,046,889	377,864,231	348,844,271	305,655,317
Intangible assets	682,327	672,190	848	8,650	54,437
Investments	26,077,270	25,207,676	25,096,917	27,622,401	50
Receivables from subsidiaries	277,149,739	164,524,881	85,925,971	70,227,221	-
Prepayments for property, plant & equipment	1,772,564	23,950,013	21,062,209	25,650,934	5,358,404
Net current liabilities	(87,946,307)	(14,053,826)	(18,436,841)	(66,613,235)	(19,167,946)
Deferred taxation (liabilities)/assets	(6,725,009)	18,359,111	8,107,066	(607,765)	(8,537,635)
Long term debts	(95,435,088)	(95,079,111)	(83,050,601)	(116,766,429)	(80,504,837
Staff gratuity	(2,069,460)	(1,962,640)	(1,743,676)	(1,372,514)	(913,632)
Other non-current liabilities	(1,684,400)	(2,102,357)	(2,685,020)	(1,231,999)	(319,370)
Net Assets	**638,543,114**	**571,562,826**	**412,141,104**	**285,761,535**	**201,624,788**
Capital and reserves					
Share capital	8,520,254	8,520,254	8,520,254	7,745,685	7745685
Share premium	42,430,000	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution	2,828,497	2,828,497	2,828,497	2,828,497	2828497
Employee benefit reserve	(16,075)	(465,792)	(746,282)	(473,946)	
Retained Earnings	584,780,438	518,249,867	359,108,635	233,231,299	148,620,606
	638,543,114	**571,562,826**	**412,141,104**	**285,761,535**	**201,624,788**

	IFRS				NGAAP
	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
	₦'000	₦'000	₦'000	₦'000	₦'000
Turnover, Profit and Loss account					
Turnover	371,534,117	371,551,567	285,635,278	241,405,977	202,565,699
Profit before taxation	213,039,663	200,010,823	138,088,716	113,779,556	101,334,468
Taxation	(27,225,540)	10,251,931	7,927,403	(3,292,404)	(1,342,294)
Profit after taxation	185,814,123	210,262,754	146,016,119	110,487,152	99,992,174
Extraordinary item					(1,282,980)
Profit after taxation and extraordinary item	185,814,123	210,262,754	146,016,119	110,487,152	98,709,194
Per share data (Naira):					
Earnings - (Basic)	10.90	12.34	8.57	7.13	6.37
Net Assets	37.47	33.54	24.19	18.45	13.02

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Consolidated and Separate Statement of Value Added (Non-IFRS)

	Group				Company			
	2014 ₦'000	%	2013 ₦'000	%	2014 ₦'000	%	2013 ₦'000	%
Sales	391,639,060		386,177,220		371,534,117		371,551,567	
Finance income	30,565,122		8,596,499		42,498,705		10,380,078	
Other income	3,608,671		1,724,477		3,541,936		727,519	
	425,812,853		396,498,196		417,574,758		382,659,164	
Bought-in-materials and services:								
Imported	(41,476,008)		(44,639,683)		(35,615,939)		(31,526,054)	
Local	(110,176,787)		(98,413,788)		(96,744,576)		(93,511,195)	
Value added	**274,160,058**	**100**	**253,444,725**	**100**	**285,214,243**	**100**	**257,621,915**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	20,227,090	7	15,260,315	6	17,605,541	6	13,997,005	5
To pay Government:								
Current Taxation	2,139,936	1	1,379	-	2,141,420	1	114	-
Deferred taxation	23,047,498	8	(10,438,105)	(4)	25,084,120	9	(10,252,045)	(4)
To pay providers of capital:								
Finance charges	32,978,194	12	13,717,542	5	20,366,983	7	11,448,932	4
To provide for maintenance of fixed assets:								
Depreciation	35,984,636	13	33,556,171	13	33,968,300	12	32,028,158	13
Amortization	281,211	-	149,335	-	233,756	-	136,997	-
Retained in the group								
Non controlling interest	(1,076,901)	-	(714,204)	-	-	-	-	-
Profit and loss account	160,578,394	59	201,912,292	80	185,814,123	65	210,262,754	82
	274,160,058	**100**	**253,444,725**	**100**	**285,214,243**	**100**	**257,621,915**	**100**

Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance and shareholders, and that retained for future creation of more wealth.