

Dangote Cement Plc
Financial Statements for the period ended
31 March 2012

Consolidated Statement of Comprehensive Income

	Notes	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
Revenue				
Cost of sales	4	64,114,636 (27,461,795)	54,507,866 (25,729,597)	235,914,970 (96,799,569)
GROSS PROFIT		36,652,841	28,778,269	139,115,402
Other gains and losses				
Administrative expenses	5	763,642 (5,083,983)	524,343 (1,288,447)	2,237,620 (15,714,604)
Selling and distribution expenses		(719,219)	(207,438)	(7,066,099)
RESULTS FROM OPERATING ACTIVITIES		31,613,281	27,806,727	118,572,319
Finance income		337,331	290,000	1,648,660
Finance costs		(1,633,881)	(271,272)	(2,556,050)
Net finance costs	6	(1,296,550)	18,728	(907,390)
PROFIT BEFORE INCOME TAX		30,316,732	27,825,455	117,664,929
Income tax expense	7	9,691	(433,620)	7,626,723
PROFIT FOR THE PERIOD		30,326,423	27,391,835	125,291,651
Other comprehensive income				
Foreign currency translation difference		1,035,827	-	-
Total Comprehensive income		31,362,250	-	-
Profit attributable to:				
Equity holders of the parent		30,473,097	27,391,835	125,136,538
Non controlling interest		(146,674)	-	155,113
Profit for the period		30,326,423	27,391,835	125,291,651
Total comprehensive income attributable to:				
Equity holders of the parent		31,136,027	27,391,835	125,136,538
Non controlling interest		226,223	-	155,113
Total comprehensive income for the period		31,362,250	27,391,835	125,291,651
Earnings per share				
Basic earnings per share	8	7.87	7.07	8.08

The notes on pages 2-12 and other explanatory notes on pages 13 to 21 form an integral part of these financial statements.

Dangote Cement Plc
Financial Statements for the period ended 31 March 2012

Consolidated Statement of Financial Position

	Notes	Group 31st March 2012	Company 31st March 2011	Group 31st December 2011
ASSETS				
Property, plant and equipment	9	450,880,273	294,685,711	441,595,276
Intangible assets	10	1,868,338	42,167	1,797,128
Long term receivables	11	5,890,282	3,117,070	5,813,930
Goodwill on acquisition	12	9,048,671	-	9,048,671
Investments	13	2,770	50	2,770
Deferred Taxation	7	7,354,136	-	7,307,875
Non-current assets		475,044,470	297,844,998	465,565,649
Inventories	14	23,847,745	18,358,884	13,228,054
Trade and other receivables	15	18,113,422	17,625,399	11,731,839
Prepayments	16	51,989,869	12,868,811	24,478,992
Due from related parties	17	7,038,826	44,884,717	4,280,074
Cash and cash equivalents	18	31,895,491	38,492,322	22,435,754
Current assets		132,885,353	132,230,133	76,154,713
Total assets		607,929,823	430,075,131	541,720,364
EQUITY				
Share capital	19	7,745,685	7,745,685	7,745,685
Share premium	20	42,430,000	42,430,000	42,430,000
Retained earnings		272,676,604	184,423,455	241,394,091
Other reserves	21	441,780	-	441,692
Exchange difference reserve	22	(1,943,313)	-	(1,943,313)
Equity attributable to owners of the Company		321,350,756	234,599,140	290,068,155
Non-controlling interests		8,940,198	-	8,710,399
Total equity		330,290,953	234,599,140	298,778,554
LIABILITIES				
Loans and borrowings	23	46,975,408	48,737,017	37,707,001
Intercompany loan	23	85,815,643	58,590,984	88,213,098
Employee benefits	24	1,405,531	998,034	1,293,459
Provisions		3,981,762	1,941,989	2,229,560
Deferred tax	7	-	1,924,400	-
Non-current liabilities		138,178,345	112,192,424	129,443,118
Bank overdraft	18	11,136,467	-	4,169,563
Current tax liabilities	7	2,964,274	3,630,443	4,279,439
Loans and borrowings	23	24,305,550	24,442,000	29,038,086
Intercompany loans	23	3,776,752	492,427	3,790,276
Trade and other payables	25	76,041,103	45,028,828	42,501,527
Due to related parties	17	21,236,378	9,689,868	29,719,801
Current liabilities		139,460,524	83,283,566	113,498,692
Total liabilities		277,638,869	195,475,990	242,941,810
Total equity and liabilities		607,929,823	430,075,131	541,720,364

The notes on pages 2 to 12 and other explanatory notes on pages 13 to 21 form part of these financial statements.

Dangote Cement Plc

Financial Statements for the period ended 31 March 2012

Consolidated Statement of Changes in Equity

	Notes	Attributable to equity holders					Non-Controlling interest	TOTAL
		Share Capital	Share Premium	Retained Earnings	Other Reserve	exchange diff. Reserve		
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
COST:								
Balance at 1 January 2012		7,745,685	42,430,000	241,394,094	441,692	(1,943,313)	8,710,397	298,778,554
Adjustments		-	-	146,484			3,528	150,012
Profit for the period				30,473,097			(146,674)	30,326,423
Total other comprehensive income for the period				662,929			372,898	1,035,827
Share of other reserves				-	88		49	137
Balance at 31st March 2012	29	<u>7,745,685</u>	<u>42,430,000</u>	<u>272,676,604</u>	<u>441,780</u>	<u>(1,943,313)</u>	<u>8,940,198</u>	<u>330,290,953</u>
Balance at 1 January 2011		7,745,685	42,430,000	161,333,530		-	-	211,509,215
Adjustments				(5,736,624.00)				(5,736,624)
Profit for the period				27,391,835				27,391,835
Prior year adjustment				1,434,714				1,434,714
Balance at 31st March 2011	29	<u>7,745,685</u>	<u>42,430,000</u>	<u>184,423,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,599,140</u>
Balance at 1 January 2011		7,745,685	42,430,000	161,333,530	-	-	-	211,509,215
Dividend paid - Dangote Cement Plc				(34,861,542)				(34,861,542)
Adjustment				(5,141,477)				(5,141,477)
Prior year adjustments				(5,072,958)				(5,072,958)
On acquisition of Sephaku Cement (Pty) SA							8,647,475	8,647,475
share of post acquisition other reserves and retained earnings							(689,550)	(689,550)
Investment in other subsidiaries							752,474	752,474
Profit for the year				125,136,538			-	125,136,538
Group share of post acquisition other reserves					441,692			441,692
Currency translation differences						(1,943,313)		(1,943,313)
Balance at 31st December 2011	29	<u>7,745,685</u>	<u>42,430,000</u>	<u>241,394,091</u>	<u>441,692</u>	<u>(1,943,313)</u>	<u>8,710,399</u>	<u>298,778,554</u>

**Consolidated Statement of Cash Flows
for the period ended 31 March 2012**

Notes	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year	30,326,423	27,391,835	125,291,651
Add back:			
Adjustment for items not involving the movement of cash:			
-Depreciation, amortisation and other non- cash adjustment	5,783,392	4,666,426	14,340,057
- Finance costs, net	1,296,550	(18,728)	907,390
- Taxation	(9,691)	433,620	(7,626,723)
	37,396,673	32,473,153	132,912,376
Change in:			
- Current asset	(47,270,902)	(3,427,629)	36,941,317
-Current liability	20,310,093	5,892,173	21,898,363
-Employee benefits	112,072	369,847	665,272
-Provisions	1,752,203	18,338	305,909
Cash generated/(used) from operating activities	(25,096,534)	2,852,729	59,810,860
Finance costs	(1,633,881)	(271,272)	(2,556,050)
Tax paid	(1,311,902)		(1,158,065)
Net cash generated operating activities	9,354,356	35,054,610	189,009,120
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of PPE, long-term receivables and investment	(15,105,633)	(9,058,207)	(173,364,216)
Goodwill on acquisition			(9,048,671)
Proceeds on sale of fixed assets			2,175
Finance income	337,331	290,000	1,648,660
Net cash (used) from investing activities	(14,768,302)	(8,768,207)	(180,762,052)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease)in loan and borrowings	9,268,407	(6,820,986)	(11,856,322)
Increase/(Decrease) in intercompany loans	(2,397,455)	(2,213,319)	29,308,049
Dividend Paid			(34,861,544)
Net cash generated/(used in) Financing activities	6,870,952	(9,034,305)	(17,409,817)
Net decrease in cash at bank and in hand	1,457,007	17,252,098	(9,162,749)
Cash at bank and in hand, beginning of year	18,266,191	21,240,224	27,428,940
Effect of exchange rate fluctuations on cash held	1,035,827		-
Cash at bank and in hand, end of year	20,759,025	38,492,322	18,266,191

Dangote Cement Plc
Notes to the Financial Statements
Period ended 31 March 2012

4 Revenue

Revenue, which comprises entirely of domestic sales as well sales of ash by Sephaku cement company (a subsidiary of the company), represents the invoiced value of goods sold to external customers, net of returns and value added tax.

4.1		Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
a) Analysis by product				
	Cement	63,992,360	54,507,866	235,704,876
	Ash	122,276		210,094
		<u>64,114,636</u>	<u>54,507,866</u>	<u>235,914,970</u>
				Consolidated 31st March 2012 N'000
b) Analysis by geography				
	Nigeria			63,992,360
	South Africa			122,276
				<u>64,114,636</u>
4.2 Segment information				
		Nigeria N'000	South Africa N'000	Others N'000
Mar-12				TOTAL N'000
	Revenue	63,992,360	122,276	-
	Cost of sales	(27,400,959)	(60,836)	-
	Gross Profit	<u>36,591,401</u>	<u>61,440</u>	<u>-</u>
	Depreciation	<u>5,447,855</u>	<u>333,091</u>	<u>-</u>
	Profit before income tax	<u>30,794,750</u>	<u>(478,018)</u>	<u>-</u>
	Fixed assets	<u>369,371,603</u>	<u>17,640,471</u>	<u>63,868,199</u>
	Net assets	<u>322,174,359</u>	<u>22,598,703</u>	<u>3,336,377</u>
				<u>348,109,439</u>

Others represent subsidiaries in other African countries which are yet to commence operation.

5	Other gains and losses	Consolidated 31st March 2012 N'000	Company 31st March 2011 N'000	Consolidated 31st December 2011 N'000
	Gains from haulage	-	511,000	-
	Insurance claims	87,829	-	26,731
	Sundry Income	675,812	13,343	2,210,889
		<u>763,642</u>	<u>524,343</u>	<u>2,237,620</u>
6	Net finance costs			
	Recognised in profit or loss			
	Interest income on bank deposits	337,331	290,000	1,648,660
	Net foreign exchange gain	-	-	-
	Finance income	<u>337,331</u>	<u>290,000</u>	<u>1,648,660</u>
	Interest on bank overdraft	-	271,272	1,106,581
	Other finance charges	156	-	-
	Interest on term loans	132,730	-	1,221,737
	Interest on intercompany loans	1,500,995	-	227,732
	Finance expense	<u>1,633,881</u>	<u>271,272</u>	<u>2,556,050</u>
	Net finance expense	<u>(1,296,550)</u>	<u>18,728</u>	<u>(907,390)</u>

7 Income tax expense

	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
Current tax expense (Note 7.1)		(433,620)	(2,089,540)
Deferred tax expense (Note 7.1)	-	-	9,867,404
Prior year overprovision	9,691	-	-
Education tax	-	-	(151,141)
	<u>9,691</u>	<u>(433,620)</u>	<u>7,626,723</u>

Per Balance Sheet

(b) The movement in the tax payable account was as follows:

Balance, beginning of the year	4,279,439	3,196,823	3,196,823
Charge for the year	0	433,620	2,240,681
Payments during the year	(1,324,856)	-	(1,158,065)
Over provision	9,691		
Withholding tax credits	-	-	-
Balance, end of year	<u>2,964,274</u>	<u>3,630,443</u>	<u>4,279,439</u>

(c) The movement in the deferred tax account was as follows:

Balance, beginning of the year	7,307,875	1,924,400	(2,559,529)
Charge for the year			
Arising during the period	46,261	-	9,867,404
Balance, end of year	<u>7,354,136</u>	<u>1,924,400</u>	<u>7,307,875</u>

- 7.1** The Obajana and Gboko plants of the company were granted Pioneer status for five years till 31 December 2013 while for Ibeshe plant, the company has sufficient capital allowances. No tax was charged due to this reason.

8 Earnings per share

Earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding at the end of the financial year.

Basic earnings per share

From continuing operations	7.87	7.07	8.08
Balance, end of year	<u>7.87</u>	<u>7.07</u>	<u>8.08</u>

Basic earnings per share

Profit for the year attributable to the owners of the company	30,473,097	27,391,835	125,136,538
Earnings used in the calculation of basic earnings per share	30,473,097	27,391,835	125,136,538
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>15,491,370</u>	<u>15,491,370</u>	<u>15,491,370</u>

9 Fixed Assets

(a) The movement on these accounts during the year was as follows:

Mar-12	LAND	BUILDING	PLANT & MACHINERY	MOTOR VEHICLES	FACTORY, FURNITURE & FITTINGS	CAPITAL WORK-IN-PROGRESS	TOTAL
	N	N	N	N	N	N	N
COST:							
Balance as at 1/1/2012	10,902,535	8,489,571	201,931,371	24,964,490	1,674,072	260,368,193	508,330,232
Reclassifications (Note 9.1)	-	22,615	83,358,610	1,631,995	199,837	(85,213,057)	-
Adjustments (Note 9.2)	1,974,003		6,774,669	-		(17,887,276)	(9,138,604)
Additions during the year		273,400	11,567,548	8,056	35,891	12,282,989	24,167,884
Balance as at 31/3/2012	12,876,538	8,785,586	303,632,198	26,604,541	1,909,800	169,550,849	523,359,512
ACCUMULATED DEPRECIATION:							
Balance as at 1/1/2012	1,135,783	3,640,644	49,602,012	11,103,153	1,207,349	46,014	66,734,955
Charge for the period		309,196	3,981,076	1,386,784	103,890	-	5,780,946
Adjustments	35,236	(27,909)	(422,051)	242,613	135,449		(36,662)
Balance as at 31/3/2012	1,171,019	3,921,931	53,161,037	12,732,550	1,446,688	46,014	72,479,239
NET BOOK VALUE:							
As at 31/3/2012	11,705,519	4,863,655	250,471,161	13,871,991	463,112	169,504,835	450,880,273
As at 31/3/2011	7,007,734	6,505,952	147,466,201	9,115,711	-	124,590,113	294,685,711
As at 31/12/2011	9,766,752	4,848,927	152,329,359	13,861,337	466,724	260,322,179	441,595,276

- 9.1 This represents capitalisation of assets created at company plant in Ibeshe.
- 9.2 This represents adjustments required to be made to comply with IAS 16 Property, plant and equipment.

Dangote Cement Plc
Notes to the Financial Statements
Period ended 31 March 2012

	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
10 Intangible assets			
At start of the year	1,797,128	42167	1,704,447
Additions	80,857	-	123,336
Charge for the period	1,877,985 (9,647)	42,167 -	1,827,783 (30,655)
	<u>1,868,338</u>	<u>42,167</u>	<u>1,797,128</u>

	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
11 Long term receivables			
Dangote Industries Benin S. A.	1,712,486	-	1,665,201
Greenview International Limited Ghana	797,572	-	908,086
Dangote Cement Liberia Limited	41,156	-	40,500
Algeria project	42,003	-	42,003
Kenya project	1,762	-	1,762
Niger project	1,312	-	1,081
Guinea project	3,501	-	692
Chattisgarh project	14,887	-	13,976
Enugu project	8,235	-	8,235
Odukpani project	2,430	-	2,430
Togo Cement project	2,775	-	-
Egypt project	486	-	-
Gas pipeline - Build and transfer	3,261,677	3,117,070	3,129,964
	<u>5,890,282</u>	<u>3,117,070</u>	<u>5,813,930</u>

This represents amounts advanced by the company to support projects executed by its subsidiaries/associate in other African countries. These advances are not payable in the next 12 months.

Gas pipeline represents the long term unamortised balance of the company's investments on the gas pipeline which was transferred to Nigerian Gas Company (NGC). The gas pipeline was constructed with the understanding that NGC would take it over at an agreed cost and that the company would recoup its costs from the amounts invoiced by NGC for gas consumption at an agreed rate.

12 Goodwill on acquisition	9,048,671	-	9,048,671
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Goodwill on acquisition above arise as a result of acquisition of 64% interest Sephaku Cement Pty) Limited on 30th June 2011. The purchase consideration paid was N24.28billion.

	Group 31st March 2012	Company 31st March 2011	Group 31st December 2011
13 Investments			
Lion Football Club Limited	50	50	50
Dangote Industries Benin S. A.	2,720	-	2,720
	<u>2,770</u>	<u>50</u>	<u>2,770</u>

The investment in Lion Football Club Limited is a passive investment with no operation and financial control and hence not consolidated.

The company holds 43% of Dangote Industries Benin S. A. but did not have any evidence of significant influence and the company is not operational. Thus, there was no equity accounting of the activities of the company.

	Group 31st March 2012	Company 31st March 2011	Group 31st December 2011
	N'000	N'000	N'000
14 Inventory			
Inventories comprise			
Finished goods	3,023,337	1,156,835	1,284,300
Work-in-process	993,141	786,163	958,333
Raw materials	1,000,105	5,274,555	396,909
Packaging materials	517,302	533,284	158,277
Chemicals and consumables	888,175	-	1,164,589
Spare parts	5,014,338	4,598,442	5,672,479
Goods-in-transit	8,124,188	4,213,731	2,492,882
Others	-	-	-
Fuel	4,287,160	1,795,874	1,100,285
	<u>23,847,745</u>	<u>18,358,884</u>	<u>13,228,054</u>
15 Trade and other receivables			
Trade and other receivables comprise:			
Trade receivables	788,825	2,949,090	3,763,161
Less: Provision for doubtful debt	(110,113)	-	(1,590,327)
	<u>678,712</u>	<u>2,949,090</u>	<u>2,172,834</u>
Other debtors	20,208,113	14,676,309	12,332,408
Less: Provision for Other debtors	(2,773,403)	-	(2,773,403)
	<u>17,434,710</u>	<u>14,676,309</u>	<u>9,559,005</u>
	<u>18,113,422</u>	<u>17,625,399</u>	<u>11,731,839</u>
16 Prepayments			
Prepayments	288,257	12,868,811	462,213
Advance to contractors	51,701,612	-	22,520,969
Gas pipeline- Build and Transfer	-	-	1,495,809
	<u>51,989,869</u>	<u>12,868,811</u>	<u>24,478,992</u>
17 Related party transactions			
a. Due from related parties			
DCW China	2,158,655	-	1,856,914
Savannah Sugar Company Plc	896	-	896
Greenview Nigeria Ltd.	-	254,768	-
Dangote Agro Sacks Ltd.	-	290,134	-
Kogi Oil Services	143,541	-	140,534
Dangote Noodles Limited	-	120,289	-
Dangote Transport Limited	8,599	-	8,599
Dangote global services Limited	93,591	-	-
Dansa Foods	107,616	-	142,851
Alheri Engineering Company Limited	-	-	93,591
Dangote Noodles Limited	203,115	-	203,040
Dangote Flour Plc	2,267,013	67,964	1,247,619
Dangote Sugar Refinery Plc	196,756	781,052	246,650
Dangote Pasta Limited	-	-	18,037
DIL Power Limited	64,719	-	-
DNL	436,019	-	-
National Salt Company of Nigeria Plc	-	7,803	1,570
Fertilizer Plant Project	286,615	-	286,616
Sephaku Cement Pty., South Africa	47,244	-	-
Dangote Super Group	1,022,340	266,019	799
Dangote Industries Limited	-	43,016,171	32,358
Dangote Ceramics	2,105	-	-
Others	-	80,515	-
	<u>7,038,826</u>	<u>44,884,717</u>	<u>4,280,074</u>

17 Related party transactions (Continued)

b. Due to related parties

Due to related parties comprise

Dangote Industries Limited	7,124,104	-	9,536,137
Bulk Commodities	11,929,617	4,936,272	18,014,303
Dangote Transport Limited	508	4,753,596	-
Dangote Agro Sacks Plc	1,490,940	-	1,294,853
Dangote AD Star Limited	-	-	11,730
National Salt Company of Nigeria	4,941	-	846,761
Oshogbo Steel Mills	16,016	-	16,017
Dangote Sugar Plc	630,807	-	-
Dangote Pasta Limited	27,239	-	-
Sephaku Holdings Ltd	12,207	-	-
	<u>21,236,378</u>	<u>9,689,868</u>	<u>29,719,801</u>

Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
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18 Cash and cash equivalent

Bank balances	14,635,904	14,837,847	12,751,413
Short term deposits	17,259,588	23,654,475	9,684,341
	<u>31,895,491</u>	<u>38,492,322</u>	<u>22,435,754</u>
Bank overdraft	(11,136,467)	-	(4,169,563)
	<u>20,759,024</u>	<u>38,492,322</u>	<u>18,266,191</u>

19 Share capital

The movement in the share capital account was as follows:

Authorised: 20,000,000,000 (2009: 500,000,000)

(a) Ordinary shares of 50k each	10,000,000	10,000,000	10,000,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
(b) (2009: 500,000,000) ordinary shares of 50k each	7,000,000	7,000,000	7,000,000
14,000,000,000 (bonus issue at 50k per share)	245,685	245,685	245,685
491,370,368 new shares issued at 50k	<u>7,745,685</u>	<u>7,745,685</u>	<u>7,745,685</u>

20 Share premium

Authorised: 500,000,000 ordinary shares of
N1 each issued at N84.86 premium

42,430,000	42,430,000	42,430,000
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21 Others reserves

This constitute the portion of the post acquisition reserve (Hedging) of the group in the Sephaku Cement (Pty) Limited.

22 Exchange difference reserve

This is in respect of exchange difference on net assets and profit re-translation on initial consolidation. It also includes the exchange difference as a result of re-translation of the account of subsidiary in the 1st quarter of 2012.

23a. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

i Non-current liabilities	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 31st December 2011 N'000
Bank loans	36,354,922	48,737,017	27,331,773
Power intervention	10,620,486		10,375,228
	<u>46,975,408</u>	<u>48,737,017</u>	<u>37,707,001</u>
ii Current liabilities			
Bank loans	24,305,550	24,442,000	29,038,086
Power intervention	-	-	-
	<u>24,305,550</u>	<u>24,442,000</u>	<u>29,038,086</u>

23b. Intercompany loans

Intercompany loans comprise:

i Non-current liabilities			
Dangote Industries Limited (Long term loan)	43,157,790	10,441,900	45,334,801
Surbordinated loan	42,657,853	48,149,084	42,878,297
	<u>85,815,643</u>	<u>58,590,984</u>	<u>88,213,098</u>
ii Current liabilities			
Dangote Industries Limited (Short term loan)	3,261,712	-	3,261,712
Bulk Commodity Limited (Short tern loan)	515,040	492,427	517,086
Surbordinated loan	-	-	-
Sephaku holdings Limited	-	-	11,478
	<u>3,776,752</u>	<u>492,427</u>	<u>3,790,276</u>

- 23.1** A consortium of banks comprising Zenith Bank Plc, Access Bank Plc, Fidelity Bank Plc and First Bank granted the company facilities to refinance existing loans and fund cement projects in African countries at fixed and floating interest rates of 10% and MPR plus 3 basis points respectively. The tenor of the loans is for initial 3 years plus 2 years rollover option.
- 23.2** Bank of Industry through GT Bank Plc granted the company the sum of N10 billion long term loan repayable in 10 years at an annual interest rate of 4% and 1% fee payable to Bank of Industry for the construction of Ibese power plant under the power and aviation intervention fund. The loan has a moratorium of 12 months.
- 23.3** Bulk Commodities International loan with an interest rate of 6% per annum represents short term funding requirements. The loan is repayable on demand.
- 23.4** Dangote Industries Limited provided a subordinated loan facility to the company during its project period to cover the excess costs of the projects. The loan is interest free and of long term nature with no fixed tenor.
- 23.5** On 21 March 2011, Dangote Industries Limited transferred its interests in thirteen African operations to Dangote Cement Plc at the cost of N45.147 billion which was the total costs incurred by Dangote Industries Limited as at that date. N45 billion was restructured as long term loan and the remaining balance was regarded as intercompany current account. The long term loan is payable in 5 years with 2 years moratorium for both interest and principal and takes effect from 1 July 2011. It attracts 10% annual interest.

Dangote Industries Limited also advanced the sum of N3.26 billion to Sinoma International Engineering Co. Limited for the construction of lines 3 and 4 at Ibese plant in Ogun State.

- 23.6** Dangote Industries Limited loan represents a short term funding requirement of US \$70 million obtained at an interest rate of 6% per annum. This loan was offset against intercompany balance in the current year as agreed by both companies' management.

All bank loans are secured by a charge over Dangote Cement Plc factory including all project facilities, cement and power plants.

	Group 31st March 2012 N'000	Company 31st March 2011 N'000	Group 1st December 2011 N'000
24 Employee benefits			
The movement in employee is as follows:			
Balance, beginning of year	1,289,372	494,684	565,682
Provision for the year	116,159	503,350	929,464
Payments during the year	-	-	(201,687)
	<u>1,405,531</u>	<u>998,034</u>	<u>1,293,459</u>
25 Trade and other payables			
Trade and other payables comprise:			
Trade creditors	20,684,075	3,526,165	3,248,800
Other creditors and accruals	55,357,028	41,502,663	39,252,727
	<u>76,041,103</u>	<u>45,028,828</u>	<u>42,501,527</u>

Contingent liabilities

- 26** No provision has been made in these consolidated financial statements for contingent liabilities in respect of litigation against the company and its subsidiaries.

27 Other contingencies

A long term gas purchase agreement was entered into by the company with Nigerian Gas Company Limited for the supply of natural gas to the cement plant in Obajana. The agreement is for twenty (20) years with effect from October 2006. This commits the company to taking up a specified minimum quantity of gas over the duration of the purchase agreement.

28 Post balance sheet events

The company's plant at Ibese, Ogun State with production capacity of 6 million metric tonnes per annum was commissioned by the President of the Federal Republic of Nigeria in February 2012. The Directors are of the opinion that there were no other post balance sheet events which could have had material effect on the state of affairs of the company as at 31 March, 2012 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

29 Comparative figures

Certain comparative figures have been restated where necessary for a more meaningful comparison.