



DANGOTE CEMENT PLC

**CONDENSED CONSOLIDATED AND SEPARATE
INTERIM FINANCIAL STATEMENTS**

30 SEPTEMBER 2013

DANGOTE CEMENT PLC

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Dangote Cement Plc
Condensed consolidated statement of profit or loss and other Comprehensive Income
For the period ended 30th September 2013

	Notes	Group				
		3 months ended	9 months ended	3 months ended	9 months ended	Year ended
		30/09/13	30/09/13	30/09/12	30/09/12	31/12/12
		N'000	N'000	N'000	N'000	N'000
Revenue	3	90,520,916	288,984,213	69,997,262	224,492,426	298,454,068
Cost of sales	5	(33,274,002)	(99,600,846)	(26,085,005)	(88,684,572)	(118,304,340)
Gross profit		57,246,914	189,383,367	43,912,257	135,807,854	180,149,728
Administrative expenses	6	(6,947,770)	(15,885,361)	(2,365,771)	(10,853,116)	(22,953,374)
Selling and distribution expenses	7	(4,733,928)	(17,670,097)	(3,089,275)	(10,550,964)	(15,104,982)
Other income	8	232,618	1,060,060	123,038	604,057	4,400,440
Profit from operating activities		45,797,834	156,887,969	38,580,249	115,007,831	146,491,812
Finance income	9	998,664	3,959,050	424,127	1,064,994	2,414,734
Finance costs	9	(2,751,995)	(9,121,559)	(3,389,581)	(9,640,558)	(13,258,957)
Profit before tax		44,044,503	151,725,460	35,614,795	106,432,267	135,647,589
Income tax expense	11.1	4,402,857	4,402,857	626,154	626,154	16,285,624
Profit for the period		48,447,360	156,128,317	36,240,949	107,058,421	151,933,213
Other comprehensive income, net of income tax						
Items that may be reclassified subsequently to profit or loss						
Currency translation differences		809,759	(1,222,390)	(1,360,740)	(1,306,027)	(2,037,809)
Defined benefit plan actuarial gains (losses)		-	-	(68,084)	(204,252)	(272,336)
Other comprehensive income for the period, net of income tax		809,759	(1,222,390)	(1,428,824)	(1,510,279)	(2,310,145)
Total comprehensive income for the period		49,257,119	154,905,927	34,812,125	105,548,142	149,623,068
Profit for the period attributable to:						
Owners of the Company		48,667,388	156,530,496	36,098,860	107,116,868	152,020,690
Non-controlling interests		(220,028)	(402,179)	142,089	(58,447)	(87,477)
		48,447,360	156,128,317	36,240,949	107,058,421	151,933,213
Total comprehensive income for the period attributable to:						
Owners of the Company		49,371,668	155,929,407	34,972,415	105,921,755	150,304,492
Non-controlling interests		(114,549)	(1,023,480)	(160,290)	(373,613)	(681,424)
		49,257,119	154,905,927	34,812,125	105,548,142	149,623,068
Earnings per share, basic and diluted (Naira)	10	2.86	9.19	2.12	6.29	8.92

Dangote Cement Plc
Condensed separate statement of profit or loss and other Comprehensive Income
For the period ended 30th September 2013

		Company				
	Notes	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12	Year ended 31/12/12
		N'000	N'000	N'000	N'000	N'000
Revenue	3	86,515,945	277,286,676	66,660,923	214,407,490	285,635,278
Cost of sales	5	(29,381,501)	(88,493,143)	(22,985,455)	(79,312,486)	(106,326,020)
Gross profit		57,134,444	188,793,533	43,675,468	135,095,004	179,309,258
Administrative expenses	6	(4,931,609)	(12,783,197)	(1,749,952)	(8,896,005)	(20,789,983)
Selling and distribution expenses	7	(4,603,527)	(17,391,105)	(3,016,583)	(10,466,340)	(14,789,012)
Other income	8	226,649	1,014,525	99,800	550,390	4,374,446
Profit from operating activities		47,825,957	159,633,756	39,008,733	116,283,049	148,104,709
Finance income	9	895,547	3,847,196	421,516	952,759	2,391,030
Finance costs	9	(2,534,664)	(8,771,609)	(3,283,539)	(9,449,712)	(12,407,023)
Profit before tax		46,186,840	154,709,343	36,146,710	107,786,096	138,088,716
Income tax expense	11.1	4,308,192	4,308,192	-	-	14,836,382
Profit for the period		50,495,032	159,017,535	36,146,710	107,786,096	152,925,098
Other comprehensive income, net of income tax						
Items that may be reclassified subsequently to profit or loss						
Currency translation differences		-	-	-	-	-
Defined benefit plan actuarial gains (losses)		-	-	(68,084)	(204,252)	(272,336)
Other comprehensive income for the period, net of income tax			-	(68,084)	(204,252)	(272,336)
Total comprehensive income for the period		50,495,032	159,017,535	36,078,626	107,581,844	152,652,762
Profit for the period attributable to:						
Owners of the Company		50,495,032	159,017,535	36,146,710	107,786,096	152,925,098
Non-controlling interests		-	-	-	-	-
		50,495,032	159,017,535	36,146,710	107,786,096	152,925,098
Total comprehensive income for the period attributable to:						
Owners of the Company		50,495,032	159,017,535	36,078,626	107,581,844	152,652,762
Non-controlling interests		-	-	-	-	-
		50,495,032	159,017,535	36,078,626	107,581,844	152,652,762
Earnings per share, basic and diluted (Naira)	10	2.71	9.08	2.12	6.33	8.98

Dangote Cement Plc
Condensed consolidated and separate statement of financial position
At 30 September 2013

	Notes	Group		Company	
		As at 30/09/13	As at 31/12/12	As at 30/09/13	As at 31/12/12
		N'000	N'000	N'000	N'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	542,832,355	478,091,578	411,677,280	377,864,231
Intangible assets	13	2,300,195	1,726,734	719,749	848
Investments	14	389	-	25,097,306	25,096,917
Deferred tax assets	11.3	29,192,842	24,937,023	27,880,747	23,572,556
Prepayments	15	62,605,494	45,015,692	18,912,719	21,062,209
Total non-current assets		636,931,275	549,771,027	484,287,801	447,596,761
Current assets					
Inventories	16	34,417,246	32,477,938	31,304,459	30,853,539
Trade and other receivables	17	11,125,138	15,776,077	8,686,997	4,990,785
Due from related companies	24	5,843,648	4,121,465	139,381,275	90,047,435
Prepayments	15	25,173,891	27,094,397	24,460,625	24,279,076
Cash and cash equivalents	23	69,150,235	44,425,319	64,270,654	41,698,513
Total current assets		145,710,158	123,895,196	268,104,010	191,869,348
TOTAL ASSETS		782,641,433	673,666,223	752,391,811	639,466,109
EQUITY & LIABILITIES					
Equity					
Share capital	18	8,520,254	8,520,254	8,520,254	8,520,254
Share premium	18	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution		2,876,642	2,876,642	2,828,497	2,828,497
Currency translation reserve		(2,044,951)	(1,443,862)	-	-
Employee benefit reserve		(746,282)	(746,282)	(746,282)	(746,282)
Retained Earnings		466,539,646	361,130,672	482,470,138	374,574,125
Equity attributable to owners of the Company		517,575,309	412,767,424	535,502,607	427,606,594
Non-controlling interest		6,210,987	7,234,467	-	-
Total equity		523,786,296	420,001,891	535,502,607	427,606,594
NON CURRENT LIABILITIES					
Deferred tax liabilities	11.4	461,731	530,227	-	-
Borrowings	20	128,680,448	112,462,464	98,423,647	83,050,601
Provisions for liabilities and other charges	22	850,850	487,310	195,536	274,782
Retirement benefits obligation		2,283,104	1,743,676	2,279,116	1,743,676
Deferred revenue	21	2,410,238	2,410,391	2,410,238	2,410,238
Total non-current liabilities		134,686,371	117,634,068	103,308,537	87,479,297
Current liabilities					
Bank overdraft	23	787,549	1,262,966	-	-
Trade and other payables	19	81,102,830	63,171,933	71,304,865	54,110,567
Current income tax payable	11.2	825,706	2,504,925	823,122	2,504,925
Deffered revenue	21	140,716	602,101	140,716	602,101
Borrowings	20	29,023,832	50,433,729	29,023,831	50,433,729
Due to related parties	24	12,288,133	18,054,610	12,288,133	16,728,896
Total current liabilities		124,168,766	136,030,264	113,580,667	124,380,218
TOTAL EQUITY AND LIABILITIES		782,641,433	673,666,223	752,391,811	639,466,109

Dangote Cement Plc

**Condensed consolidated statement of changes in equity
For the period ended 30 September 2013**

	Share capital N'000	Share premium N'000	Retained Earnings N'000	Employee Benefit reserve N'000	Currency translation reserve N'000	Capital Contribution N'000	Attributable to the owners of the parent N'000	Non - controlling interests N'000	Total N'000
Balance at 1 January 2013	8,520,254	42,430,000	361,130,672	(746,282)	(1,443,862)	2,876,642	412,767,424	7,234,467	420,001,891
Profit for the period	-	-	156,530,496	-	-	-	156,530,496	(402,179)	156,128,317
Other comprehensive income for the period, net of income tax	-	-	-	-	(601,089)	-	(601,089)	(621,301)	(1,222,390)
Total comprehensive income for the period	-	-	156,530,496	-	(601,089)	-	155,929,408	(1,023,480)	154,905,927
Payment of dividends			(51,121,522)				(51,121,522)		(51,121,522)
Balance at 30th September 2013	8,520,254	42,430,000	466,539,646	(746,282)	(2,044,951)	2,876,642	517,575,310	6,210,987	523,786,296
Balance at 1 January 2012	7,745,685	42,430,000	229,245,843	(473,946)	-	2,876,643	281,824,225	8,546,661	290,370,886
Profit for the period			107,116,867				107,116,867	(58,447)	107,058,420
Other comprehensive income for the period, net of income tax				(204,252)	(990,861)		(1,195,113)	(315,166)	(1,510,279)
Total comprehensive income for the period	-	-	107,116,867	(204,252)	(990,861)	-	105,921,754	(373,613)	105,548,140
Capital Restructuring Effect			2,922	-			2,922	(630,769)	(627,847)
Bonus shares	774,569		(774,569)	-			-		-
Payment of dividends			(19,364,215)	-			(19,364,215)		(19,364,215)
Balance at 30 September 2012	8,520,254	42,430,000	316,226,848	(678,198)	(990,861)	2,876,643	368,384,686	7,542,278	375,926,964

Dangote Cement Plc

Condensed separate statement of changes in equity For the period ended 30 September 2013

	Share capital N'000	Share premium N'000	Capital contribution N'000	Retained earnings N'000	Employee benefit reserve N'000	Total N'000
Balance at 1 January 2013	8,520,254	42,430,000	2,828,497	374,574,125	(746,282)	427,606,594
Profit for the period				159,017,535		159,017,535
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	159,017,535	-	159,017,535
Payment of dividends	-	-	-	(51,121,522)	-	(51,121,522)
Balance at 30 September 2013	8,520,254	42,430,000	2,828,497	482,470,138	(746,282)	535,502,607
Balance at 1 January 2012	7,745,685	42,430,000	2,828,497	241,787,810	(473,946)	294,318,046
Profit for the year				107,786,095		107,786,095
Other comprehensive income for the period, net of income tax					(204,252)	(204,252)
Total comprehensive income for the period	-	-	-	107,786,095	(204,252)	107,581,843
Bonus share	774,569			(774,569)		-
Payment of dividends				(19,364,214)		(19,364,214)
Balance at 30 September 2012	8,520,254	42,430,000	2,828,497	329,435,122	(678,198)	382,535,675

Dangote Cement Plc
Condensed consolidated and separate statement of cash flows
At 30 September 2013

	Group		Company	
	9 months ended 30/09/13	Year ended 31/12/12	9 months ended 30/09/13	Year ended 31/12/12
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Profit before tax	151,725,460	135,647,589	154,709,343	138,088,716
Adjustments for:				
Depreciation	24,090,082	27,593,659	23,179,111	27,267,634
Write off of property plant and equipment	(4,983)	399,202	15,303	397,436
Amortization of intangible assets	99,333	27,140	89,438	7,801
Impairment loss on investment and receivables from related parties	-	2,026,828	-	2,026,828
Finance cost	9,643,030	12,425,621	8,668,708	12,210,419
Interest income	(3,842,941)	(2,213,027)	(3,731,087)	(2,189,323)
Amortisation of deferred revenue	(461,538)	(558,636)	(461,385)	(541,277)
Provision for restoration	363,540	20,417	(79,246)	132,959
Provisions for employee benefits	541,728	616,505	537,740	616,505
Loss/(Gain) on disposal of property, plant and equipment	2,508	-	2,477	-
Amortisation of long term prepayment - gas pipeline	-	4,283,001	-	4,283,001
	<u>182,156,219</u>	<u>180,268,299</u>	<u>182,930,402</u>	<u>182,300,699</u>
Changes in working capital:				
Change in inventory	(1,939,309)	(12,829,351)	(450,920)	(12,117,341)
Change in trade and other receivables	6,571,446	(15,982,272)	(1,728,271)	(17,599,991)
Change in due from related parties	270,422	(323,793)	(48,094,730)	(17,740,166)
Change in due to related parties	(2,522,645)	(12,626,835)	(452,151)	(13,727,132)
Change in trade and other payables	17,930,897	17,097,699	17,194,298	12,909,466
Gratuity Paid	(2,300)	(517,677)	(2,300)	(517,677)
Income tax paid	(1,681,803)	(2,538,919)	(1,681,803)	(2,558,679)
<i>Net cash generated from operating activities</i>	<u>200,782,926</u>	<u>152,547,151</u>	<u>147,714,524</u>	<u>130,949,179</u>
Investing activities				
Interest received	3,741,800	2,213,027	3,629,946	2,189,323
Additions to intangible assets	(270,701)	(64,978)	(808,339)	-
Acquisition of property, plant and equipment, investment and advance to contractors	(111,011,440)	(129,068,608)	(56,894,667)	(76,043,345)
Proceeds from disposal of property, plant and equipment	11,323	10,902,824	11,248	10,902,824
<i>Net cash provided by investing activities</i>	<u>(107,529,019)</u>	<u>(116,017,735)</u>	<u>(54,061,813)</u>	<u>(62,951,198)</u>
Financing activities				
Interest paid	(7,960,423)	(12,072,027)	(7,831,040)	(11,856,826)
Dividend paid	(51,121,522)	(19,364,214)	(51,121,522)	(19,364,214)
Loans obtained	13,841,038	59,911,863	13,841,038	30,500,000
Loans repaid	(25,969,048)	(39,180,384)	(25,969,048)	(39,180,388)
<i>Net cash provided by financing activities</i>	<u>(71,209,955)</u>	<u>(10,704,762)</u>	<u>(71,080,571)</u>	<u>(39,901,428)</u>
(Decrease)/increase in cash and cash equivalent	22,043,953	25,824,654	22,572,141	28,096,553
Effects of exchange rate changes on the none monetary assets held in foreign currencies	3,156,380	(980,921)		
Cash and cash equivalents at beginning of year	43,162,353	18,318,620	41,698,513	13,601,960
Cash and cash equivalents at end of year	<u>68,362,686</u>	<u>43,162,353</u>	<u>64,270,654</u>	<u>41,698,513</u>

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements

For the period ended 30 September 2013

1 General Information

Dangote Cement Plc (“the Company”) was incorporated in Nigeria as a public limited liability company on 4 November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14 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 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 14.

The consolidated financial statements of the Company for the period ended 30 September 2013 comprise the Company and its subsidiaries.

The separate financial statements of the Company for the period ended 30 September 2013 comprise the Company only.

These consolidated and separate financial statements for the period ended 30 September 2013 have been approved for issue by the Directors on 29th October 2013.

2 Significant accounting policies

Dangote Cement Group Plc applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2012 annual financial statements. None of the new standards, interpretations and amendments, effective for the first time from 1 January 2013, have had a material effect on the financial statements.

2.1 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 annual report.

These condensed consolidated and separate financial statements' prior period figures have been regrouped and reclassified wherever required.

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements
For the period ended 30 September 2013

3 REVENUE

An analysis of revenue is as follows:

	Group				Company			
	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from the sale of cement	90,417,372	288,569,611	69,842,286	224,066,636	86,515,945	277,286,676	66,660,923	214,407,490
Revenue from the sale of ash	164,285	475,343	154,976	425,790	-	-	-	-
	90,581,657	289,044,954	69,997,262	224,492,426	86,515,945	277,286,676	66,660,923	214,407,490
Elimination/Adjustment	(60,741)	(60,741)	-	-	-	-	-	-
Consolidated total revenue	90,520,916	288,984,213	69,997,262	224,492,426	86,515,945	277,286,676	66,660,923	214,407,490

All sales as detailed above are to external customers

4 Segment Information

4.1 Segment revenues and results

The following is an analysis of the Group's revenue and results 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 sales 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.

Revenue/Operating profit/loss	Group							
	Segment revenue				Segment operating profit/loss			
	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	86,515,945	277,286,676	66,660,923	214,407,490	47,825,955	159,633,756	39,008,733	116,283,049
West and Central Africa	3,901,427	11,282,935	3,181,362	9,659,146	(1,785,904)	(2,082,394)	(232,341)	(529,969)
East and South Africa	164,285	475,343	154,976	425,790	(242,217)	(663,393)	(196,143)	(745,249)
	90,581,657	289,044,954	69,997,261	224,492,426	45,797,834	156,887,969	38,580,249	115,007,831
Elimination/Adjustment	(60,741)	(60,741)	-	-	-	-	-	-
Consolidated Segment Revenue/Operating profit or (loss)	90,520,916	288,984,213	69,997,261	224,492,426	45,797,834	156,887,969	38,580,249	115,007,831

Total segment operating profit agrees to the profit from operating activities. A reconciliation of profit from operating activities to profit before tax is presented on the face of the profit and loss account.

4.2 Segment revenues and results

Other income & Profit/ (loss) after tax	Group							
	Other income				Profit/(loss) after tax			
	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12	3 months ended 30/09/13	9 months ended 30/09/13	3 months ended 30/09/12	9 months ended 30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	226,649	1,014,525	99,800	550,390	50,495,032	159,017,535	36,146,710	107,786,096
West and Centra Africa	5,659	21,559	289	1,266	(1,810,063)	(2,237,737)	(339,697)	(716,764)
East and South Africa	310	23,976	22,949	52,401	(237,609)	(651,481)	433,936	(10,911)
Consolidated other Income/profit or (loss) after tax	232,618	1,060,060	123,038	604,057	48,447,360	156,128,317	36,240,949	107,058,421

4.3 Segment assets and liabilities

Segment total assets	As at 30/09/13		As at 31/12/12	
	N'000	N'000	N'000	N'000
Nigeria	752,391,811		639,466,112	
West and Centra Africa	54,643,642		51,803,713	
East and South Africa	131,651,501		84,766,833	
Total Segments assets	938,686,954		776,036,658	
Elimination/Adjustment	(156,045,520)		(102,370,435)	
Consolidated total assets	782,641,434		673,666,223	
			0	
Segment total liabilities	As at 30/09/13		As at 31/12/12	
Nigeria	216,889,205		211,859,516	
West and Centra Africa	62,501,439		55,016,219	
East and South Africa	112,830,713		64,062,116	
Total segment liabilities	392,221,357		330,937,851	
Elimination/Adjustment	(133,366,220)		(77,273,519)	
Consolidated total liabilities	258,855,137		253,664,332	

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5 Cost of sales

	Group				Company			
	3 months ended 30/09/13 N'000	9 months ended 30/09/13 N'000	3 months ended 30/09/12 N'000	9 months ended 30/09/12 N'000	3 months ended 30/09/13 N'000	9 months ended 30/09/13 N'000	3 months ended 30/09/12 N'000	9 months ended 30/09/12 N'000
Utilities & Materials consumed	21,874,948	64,806,143	19,031,443	61,213,179	18,096,722	54,058,972	16,055,893	52,237,405
Salaries and related staff costs	2,035,269	6,188,214	1,139,362	3,756,016	2,035,269	6,188,214	1,040,593	3,652,461
Depreciation and Amortisation	4,218,972	14,309,006	4,370,532	14,135,942	4,176,517	14,170,104	4,293,782	13,986,109
Royalty (refer (a) below)	77,484	370,100	85,291	219,392	77,484	370,100	85,291	219,392
Other manufacturing overheads	5,067,329	13,927,383	1,458,377	9,360,043	4,995,509	13,705,753	1,509,896	9,217,119
	<u>33,274,002</u>	<u>99,600,846</u>	<u>26,085,005</u>	<u>88,684,572</u>	<u>29,381,501</u>	<u>88,493,143</u>	<u>22,985,455</u>	<u>79,312,486</u>

(a) Royalty payable is charged based on volume of extraction made during the year. This is in accordance with the agreement with the Federal Ministry of Mines and Steel Development.

6 Administrative expense

	Group				Company			
	3 months ended 30/09/13 N'000	9 months ended 30/09/13 N'000	3 months ended 30/09/12 N'000	9 months ended 30/09/12 N'000	3 months ended 30/09/13 N'000	9 months ended 30/09/13 N'000	3 months ended 30/09/12 N'000	9 months ended 30/09/12 N'000
Salaries and related staff costs	2,800,743	6,279,970	1,589,597	3,971,743	1,355,362	4,134,006	1,356,047	3,535,510
Corporate social responsibility	518,332	1,116,076	278,819	543,705	517,937	1,115,681	278,561	543,291
Management fee (refer (a) below)	335,721	627,055	519,517	936,248	335,721	627,055	522,390	675,740
Depreciation and Amortisation	1,172,738	2,354,310	(434,890)	1,287,763	509,221	1,622,578	(479,208)	1,129,531
Audit fees	52,120	150,289	69,601	118,745	49,963	138,797	61,372	106,147
Others	2,068,116	5,357,661	343,127	3,994,912	2,163,405	5,145,080	10,790	2,905,786
	<u>6,947,770</u>	<u>15,885,361</u>	<u>2,365,771</u>	<u>10,853,116</u>	<u>4,931,609</u>	<u>12,783,197</u>	<u>1,749,952</u>	<u>8,896,005</u>

7 Selling and distribution

Depreciation and Amortisation	2,571,493	7,526,098	586,086	2,803,312	2,522,057	7,475,866	586,473	2,803,312
Advertisement and promotion	931,171	2,422,477	963,758	3,033,662	801,986	2,193,717	894,350	2,960,635
Haulage expenses	1,231,264	7,721,522	1,539,431	4,713,990	1,279,484	7,721,522	1,535,760	4,702,393
	<u>4,733,928</u>	<u>17,670,097</u>	<u>3,089,275</u>	<u>10,550,964</u>	<u>4,603,527</u>	<u>17,391,105</u>	<u>3,016,583</u>	<u>10,466,340</u>

8 Other income/expense

Insurance claims	(207)	155,599	4,665	29,758	(207)	155,599	4,665	29,758
Government grant	153,252	461,384	125,152	379,380	153,252	461,384	125,152	379,380
Sundry income/(loss)	79,573	443,077	(6,779)	194,919	73,604	397,542	(30,017)	141,252
	<u>232,618</u>	<u>1,060,060</u>	<u>123,038</u>	<u>604,057</u>	<u>226,649</u>	<u>1,014,525</u>	<u>99,800</u>	<u>550,390</u>

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9 Finance income and costs

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/13	30/09/13	30/09/12	30/09/12	30/09/13	30/09/13	30/09/12	30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<i>Finance income</i>								
Interest income	989,997	3,950,383	424,127	1,064,994	959,744	3,911,393	421,516	952,759
Foreign exchange gains/(loss)	8,667	8,667	-	-	(64,197)	(64,197)	-	-
	<u>998,664</u>	<u>3,959,050</u>	<u>424,127</u>	<u>1,064,994</u>	<u>895,547</u>	<u>3,847,196</u>	<u>421,516</u>	<u>952,759</u>
<i>Finance costs</i>								
Interest expenses	3,004,050	9,993,248	3,401,433	11,995,307	2,786,719	9,643,298	3,295,391	11,804,461
Less: amounts included in the cost of qualifying assets	(252,055)	(871,689)	(11,852)	(2,354,749)	(252,055)	(871,689)	(11,852)	(2,354,749)
	<u>2,751,995</u>	<u>9,121,559</u>	<u>3,389,581</u>	<u>9,640,558</u>	<u>2,534,664</u>	<u>8,771,609</u>	<u>3,283,539</u>	<u>9,449,712</u>

The weighted average capitalisation rate on funds borrowed generally is 10% and 12% per annum for the Group and Company respectively.

10 Earnings per share

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/13	30/09/13	30/09/12	30/09/12	30/09/13	30/09/13	30/09/12	30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Profit for the year attributable to owners of the Company	48,667,387	156,530,496	36,098,858	107,116,868	46,186,837	154,709,343	36,146,710	107,786,096
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	17,040,507	17,040,507	17,040,507	17,040,507
Basic and diluted earnings per share	<u>2.86</u>	<u>9.19</u>	<u>2.12</u>	<u>6.29</u>	<u>2.71</u>	<u>9.08</u>	<u>2.12</u>	<u>6.33</u>

11 Income tax

11.1 Income tax recognised in profit or loss

The effective current tax rate for the year is expected to be zero in view of pioneer period benefits

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/13	30/09/13	30/09/12	30/09/12	30/09/13	30/09/13	30/09/12	30/09/12
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current tax expense	176	176	(3,409)	(3,409)	-	-	-	-
Deferred tax expense	4,402,681	4,402,681	629,563	629,563	4,308,192	4,308,192	-	-
Prior year overprovision	-	-	-	-	-	-	-	-
Education tax	-	-	-	-	-	-	-	-
	<u>4,402,857</u>	<u>4,402,857</u>	<u>626,154</u>	<u>626,154</u>	<u>4,308,192</u>	<u>4,308,192</u>	<u>-</u>	<u>-</u>

11.2 Per Balance sheet

	Group		Company	
	Period ended 30/09/13	Period ended 31/12/12	Period ended 30/09/13	Year ended 31/12/12
	N'000	N'000	N'000	N'000
The movement in the tax payable account was as follows:-				
Balance, beginning of the year	2,504,925	4,276,176	2,504,925	4,276,176
charge for the period	-	787,428	-	787,428
Payments during the period	(1,681,803)	(2,558,679)	(1,681,803)	(2,558,679)
Arising during the period	2,584	-	-	-
Balance, end of the period	<u>825,706</u>	<u>2,504,925</u>	<u>823,122</u>	<u>2,504,925</u>

11.3 The movement in the deferred tax asset account was as follows

	Group	Company
	Period ended 30/09/13	Year ended 31/12/12
	N'000	N'000
Balance, beginning of the year	24,937,023	7,948,746
charge for the year	-	-
Arising during the period	4,255,819	16,988,277
Balance, end of the period	<u>29,192,842</u>	<u>24,937,023</u>

11.4 The movement in the deferred tax liability account was as follows

	Group	Company
	Period ended 30/09/13	Year ended 31/12/12
	N'000	N'000
Balance, beginning of the year	530,227	589,032
charge for the year	-	-
Arising during the period	(68,496)	(58,805)
Balance, end of the period	<u>461,731</u>	<u>530,227</u>

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12 Property, plant and equipment

12.1 Group

	Leasehold improvements and buildings N'000	Plant and equipment N'000	Aircrafts and motor vehicles N'000	Factory furniture and equipment N'000	Capital work- in-progress N'000	TOTAL N'000
Cost or deemed cost						
As at 1 January 2012	15,313,758	156,281,883	20,081,283	763,646	220,566,974	413,007,544
Additions	557,800	14,802,673	11,240,682	536,918	101,930,535	129,068,608
Eliminated on Write-off	(11,689)	(21,714)	(43,280)	(75,294)	(348,097)	(500,074)
Disposals	-	-	-	-	(10,902,824)	(10,902,824)
Reclassifications	18,932,640	143,235,011	2,967,020	177,933	(165,312,604)	-
Other reclassification	-	61,893	5,800	-	(8,911,445)	(8,843,752)
Effect of foreign currency exchange differences	(222,439)	(321,547)	2,248	(11,199)	(476,035)	(1,028,972)
Balance at 31 December 2012	34,570,070	314,038,199	34,253,753	1,392,004	136,546,504	520,800,530
Additions	217,068	1,219,509	5,251,918	271,049	86,747,646	93,707,191
Disposals/write off	-	-	(107,980)	-	-	(107,980)
Reclassification	186,757	(1,190,507)	9,043,224	(73,409)	(7,966,065)	-
Other reclassification	-	(8,550)	-	(166)	(744,781)	(753,497)
Effect of foreign currency exchange differences	(216,974)	(141,612)	32,481	(16,957)	(3,840,427)	(4,183,489)
Balance at 30 September 2013	34,756,921	313,917,039	48,473,396	1,572,521	210,742,877	609,462,755
Accumulated depreciation						
Balance at 1 January 2012	647,282	10,927,237	3,421,339	300,618	-	15,296,476
Eliminate on write-off	(2,455)	(9,047)	(36,645)	(52,725)	-	(100,872)
Depreciation expense	1,432,528	20,129,639	5,794,368	237,124	-	27,593,659
Reclassification	51,635	96,037	(46,023)	(101,649)	-	-
Effect of foreign currency exchange differences	(1,960)	(50,961)	(20,729)	(6,660)	-	(80,311)
Balance at 31 December 2012	2,127,030	31,092,905	9,112,310	376,708	-	42,708,952
Depreciation expense	1,157,519	13,923,789	8,721,153	287,621	-	24,090,081
Disposal/write off	-	-	(94,149)	-	-	(94,149)
Adjustment	-	(4,817)	-	(166)	-	(4,983)
Effect of foreign currency exchange differences	(2,433)	(58,019)	2,967	(12,016)	-	(69,501)
Balance at 30 September 2013	3,282,116	44,953,858	17,742,281	652,147	-	66,630,400
Carrying amounts						
At 1 January 2012	14,666,476	145,354,646	16,659,944	463,028	220,566,974	397,711,068
At 31 December 2012	32,443,040	282,945,294	25,141,443	1,015,296	136,546,504	478,091,578
At 30 September 2013	31,474,805	268,963,181	30,731,115	920,374	210,742,877	542,832,355

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12 Property, plant and equipment

12.2 Company

	Leasehold improvements and buildings N'000	Plant and equipment N'000	Aircrafts and motor vehicles N'000	Factory furniture and equipment N'000	Capital work- in-progress N'000	TOTAL N'000
Cost or deemed cost						
As at 1 January 2012	11,952,393	152,155,751	17,046,142	491,718	181,811,412	363,457,416
Additions	348,680	14,097,859	11,180,041	317,731	50,099,034	76,043,345
Eliminated on Write-off	(11,689)	(21,714)	(42,213)	(73,407)	(348,097)	(497,120)
Disposals	-	-	-	-	(10,902,824)	(10,902,824)
Reclassifications	18,932,640	143,231,441	2,967,020	181,503	(165,312,604)	-
Other reclassification	-	61,893	5,800	-	(8,523,184)	(8,455,491)
Balance at 31 December 2012	31,222,024	309,525,230	31,156,790	917,545	46,823,737	419,645,326
Additions	114,429	919,463	5,174,924	178,329	51,378,823	57,765,968
Eliminated on Write-off	-	-	-	-	(15,303)	(15,303)
Disposals	-	-	(107,874)	-	-	(107,874)
Reclassification	117,234	-	9,020,369	-	(9,137,603)	-
Other reclassification	-	-	-	-	(744,781)	(744,781)
Balance at 30 September 2013	31,453,687	310,444,693	45,244,209	1,095,874	88,304,873	476,543,336
Accumulated depreciation						
Balance at 1 January 2012	633,519	10,463,345	3,293,417	222,864	-	14,613,145
Depreciation expense	1,420,217	19,949,040	5,717,792	180,585	-	27,267,634
Eliminate on write-off	(2,455)	(9,047)	(36,579)	(51,603)	-	(99,684)
Reclassification	51,635	94,416	(46,023)	(100,028)	-	-
Balance at 31 December 2012	2,102,916	30,497,754	8,928,607	251,818	-	41,781,095
Depreciation expense	1,147,907	13,784,837	8,032,687	213,679	-	23,179,110
Disposal	-	-	(94,149)	-	-	(94,149)
Reclassification	-	-	-	-	-	-
Balance at 30 September 2013	3,250,823	44,282,591	16,867,145	465,497	-	64,866,056
Carrying amounts						
At 1 January 2012	11,318,874	141,692,406	13,752,725	268,854	181,811,412	348,844,271
At 31 December 2012	29,119,108	279,027,476	22,228,183	665,727	46,823,737	377,864,231
At 30 September 2013	28,202,864	266,162,102	28,377,064	630,377	88,304,873	411,677,280

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13 Intangible assets

13.1 Group

	Computer software N'000	Exploration assets N'000	Total N'000
Cost			
Balance at 1 January 2012	397,413	1,744,677	2,142,090
Additions	55,182	9,796	64,978.00
Effect of foreign currency exchange differences	(10,479)	(106,411)	-116,890
	<u>442,116</u>	<u>1,648,062</u>	<u>2,090,178</u>
Balance at 31 December 2012	442,116	1,648,062	2,090,178
Additions	256,776	13,926	270,702
Other Reclassification from Property Plant and Equipment	585,749	-	585,749
Effect of foreign currency exchange difference	(23,077)	(175,428)	(198,505)
	<u>1,261,564</u>	<u>1,486,560</u>	<u>2,748,124</u>
Balance at 30 September 2013	1,261,564	1,486,560	2,748,124
Accumulated amortisation			
Balance at 1 January 2012	344,963	-	344,963
Amortisation expense	27,140	-	27,140
Effect of foreign currency exchange differences	(8,659)	-	-8,659
	<u>363,444</u>	<u>-</u>	<u>363,444</u>
Balance at 31 December 2011	363,444	-	363,444
Amortisation expense	99,333	-	99,333
Effect of foreign currency exchange difference	(14,848)	-	-14,848
	<u>447,929</u>	<u>-</u>	<u>447,929</u>
Balance at 30 September 2013	447,929	-	447,929
Carrying amounts			
At 1 January 2012	52,450	1,744,677	1,797,127
	<u>52,450</u>	<u>1,744,677</u>	<u>1,797,127</u>
At 31 December 2012	78,672	1,648,062	1,726,734
	<u>78,672</u>	<u>1,648,062</u>	<u>1,726,734</u>
At 30 September 2013	813,635	1,486,560	2,300,195
	<u>813,635</u>	<u>1,486,560</u>	<u>2,300,195</u>

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13 Intangible assets

13.2 Company

	Computer software N'000	Other intangibles N'000	Total N'000
Cost			
Balance at 1 January 2012	225,604	-	225,604
Additions	-	-	-
Balance at 31 December 2012	225,604	-	225,604
Additions	222,590	-	222,590
Other Reclassification from Property Plant and Equipment	585,749	-	585,749
Balance at 30 September 2013	448,194	-	1,033,943
 Accumulated amortisation			
Balance at 1 January 2012	216,954	-	216,954
Amortisation expense	7,802	-	7,802
Balance at 31 December 2012	224,756	-	224,756
Amortisation expense	89,438	-	89,438
Balance at 30 September 2013	314,194	-	314,194
 Carrying amounts			
At 1 January 2012	8,650	-	8,650
At 31 December 2012	848	-	848
At 30 September 2013	134,000	-	719,749

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14 Investments

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
		30/09/13	31/12/12
Sephaku Cement (Pty) Limited	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Ethiopia	86.96%	86.96%
Dangote Industries (Zambia) Limited	Zambia	75.00%	75.00%
Dangote Industries Senegal S.A	Senegal	90.00%	90.00%
Dangote Industries Cameroun Limited	Cameroun	80.00%	80.00%
Dangote Industries Limited, Tanzania	Tanzania	70.00%	70.00%
Dangote Industries Congo S.A	Congo	100.00%	100.00%
Dangote Industries (Sierra Leone) Limited	Sierra Leone	99.60%	99.60%
Dangote Industries Limited, Cote D'Ivoire	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Gabon	80.00%	80.00%

All the subsidiaries of the Company except Greenview International, Ghana are executing Capital projects on cement manufacturing/grinding facility or cement terminal. Besides Greenview International, Sephaku Cement South Africa is involved in selling ash which would be used as input once cement manufacturing facility which is currently under construction commences operation. Both Greenview International and Sephaku Cement are incurring small losses.

In addition the Group holds 100% of Lion Football Club Limited but the investment is dormant and not consolidated because the effect of consolidation is immaterial. The Group holds 43% of Onigbolo Cement Company Limited, Benin Republic but does not have significant influence. Thus, there was no equity accounting of the activities of the company during 2011. Both of these investments have been provided for during the year.

Investments	Group 30/09/13	Company	
		30/09/13 N'000	31/12/12 N'000
Sephaku Cement (Pty) Limited	-	24,283,254	24,283,254
Dangote Industries (Ethiopia) Plc	-	732,657	732,657
Dangote Industries (Zambia) Limited	-	115	115
Dangote Industries Senegal S.A	-	29,448	29,448
Dangote Industries Cameroun Limited	-	8,807	8,807
Dangote Industries Limited, Tanzania	-	68	68
Dangote Industries Congo S.A	-	1,702	1,702
Dangote Industries (Sierra Leone) Limited	-	15,551	15,551
Dangote Industries Limited, Cote D'Ivoire	-	12,658	12,658
Dangote Industries Gabon S.A	-	12,657	12,657
Dangote Cement - Madagascar	389	389	-
	389	25,097,306	25,096,917

In 2011, Dangote Industries Limited transferred its interests in all the above subsidiaries to the Company effective 14 December 2011. The acquisition of the subsidiaries by the Company was considered a common control transaction and therefore the assets and liabilities acquired were recognised at the carrying amounts recognised previously in the shareholder's consolidated financial statements. The movement reflects a change in the amount owed to the Parent company on account of transfer of equity interest under common control with a corresponding change in the cost of the investment in Dangote Industries Cameroon Limited.

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15 Prepayments

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Non-current				
Advance to contractors	62,605,494	45,015,692	18,912,719	21,062,209
Gas pipeline			-	-
Total non-current prepayments	62,605,494	45,015,692	18,912,719	21,062,209
Current				
Advance to contractors	11,741,333	12,960,139	11,456,965	10,473,341
Deposit for import	11,875,514	13,222,873	11,875,514	12,960,139
Gas pipeline	-	342,772	-	342,772
Rent and insurance	1,557,044	568,613	1,128,146	502,824
Total current prepayments	25,173,891	27,094,397	24,460,625	24,279,076

The Gas pipelines prepayment represents the unamortised balance of the Group's investment in the gas pipeline which was transferred to Nigerian Gas Company (NGC). The gas pipelines were 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. The agreement with NGC is for twenty years.

Advances to contractors represent various advances for the purchase of LPFO and AGO together with advances for the construction of plants and other materials which were not received at the year end.

16 Inventories

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Finished goods	5,297,223	4,594,188	3,552,595	3,941,282
Work-in-progress	687,015	4,650,082	687,015	4,464,554
Raw materials	1,776,587	495,480	1,776,521	495,410
Packaging materials	1,834,695	2,546,691	1,678,259	2,220,807
Consumables	3,817,952	954,626	3,816,121	953,972
Fuel	5,541,861	6,378,675	5,539,533	6,376,446
Spare parts	8,815,423	8,596,494	8,645,162	8,541,454
Goods-in-transit	6,646,490	4,261,702	5,609,253	3,859,614
	34,417,246	32,477,938	31,304,459	30,853,539

17 Trade and other receivables

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Trade receivables	8,842,657	4,782,843	8,633,059	4,568,957
Impairment allowance on trade receivables	(1,627,791)	(1,375,331)	(1,627,525)	(1,371,050)
	7,214,866	3,407,512	7,005,534	3,197,907
Deposits for supplies	1,121,936	1,357,326	1,110,897	1,365,791
Staff loans and advances	577,594	924,755	570,566	427,087
Other receivables	2,210,743	10,086,484	-	-
	11,125,138	15,776,077	8,686,997	4,990,785

Dangote Cement Plc

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18 Share capital

	Group	
	Period ended 30/09/13	Year ended 31/12/12
	N'000	N'000
	N'000	N'000
<i>Issued and fully paid</i>		
Share capital (17,040,507,405 (2011 15,491,370,368 ordinary shares of N 0.5 each)	8,520,254	8,520,254
Share premium	<u>42,430,000</u>	<u>42,430,000</u>
	<u>50,950,254</u>	<u>50,950,254</u>

19 Trade and other payables

	Group		Company	
	Period ended 30/09/13	Year ended 31/12/12	Period ended 30/09/13	Year ended 31/12/12
	N'000	N'000	N'000	N'000
Trade payables	18,344,093	18,279,062	17,363,156	16,243,741
Advances from customers	18,370,945	12,251,242	16,958,039	12,251,242
Payable to contractors	8,040,349	14,350,734	8,040,349	9,189,158
Value added tax	12,364,730	7,415,859	12,286,122	7,415,859
Withholding tax payable	708,646	340,737	646,601	340,738
Staff pension	115,077	169,658	104,344	169,658
Interest payable	-	5,018,657	-	5,018,657
Other accruals and payables	<u>23,158,990</u>	<u>5,345,984</u>	<u>15,906,254</u>	<u>3,481,514</u>
	<u>81,102,830</u>	<u>63,171,933</u>	<u>71,304,865</u>	<u>54,110,567</u>

20 Borrowings

	Group		Company	
	30/09/13	31/12/12	30/09/13	31/12/12
	N'000	N'000	N'000	N'000
Unsecured borrowings at amortised cost				
Subordinated loans	30,754,107	29,996,522	30,754,107	29,996,522
Loans from Parent company	48,844,719	45,000,000	48,844,719	45,000,000
Bulk Commodities loans	<u>1,004,664</u>	<u>514,214</u>	<u>1,004,664</u>	<u>514,214</u>
	80,603,490	75,510,736	80,603,490	75,510,736
Secured borrowings at amortised cost				
Power intervention loan	19,510,621	20,640,260	19,510,621	20,640,260
Bank loans	<u>57,590,169</u>	<u>66,745,197</u>	<u>27,333,367</u>	<u>37,333,334</u>
	<u>77,100,790</u>	<u>87,385,457</u>	<u>46,843,988</u>	<u>57,973,594</u>
Total borrowing at 30 June 2013	<u>157,704,280</u>	<u>162,896,193</u>	<u>127,447,478</u>	<u>133,484,330</u>
Long-term portion of loans and borrowings	<u>128,680,448</u>	<u>112,462,464</u>	<u>98,423,647</u>	<u>83,050,601</u>
under current liabilities	<u>29,023,832</u>	<u>50,433,729</u>	<u>29,023,831</u>	<u>50,433,729</u>

- (a) A consortium of banks granted the Company facilities to fund expansion projects in various plants. The loans were granted at fixed and floating interest rates of 10% p.a and MPR + 3% respectively. The facilities are for an initial period of 3 years with the option of an extension for a further two years. The facilities are secured with a fixed and floating charge over the Company's assets. Principal and interest are repayable quarterly.

Also in 2012, Nedbank Capital and Standard Bank of South Africa jointly granted a R1.95bn facility for the finance of the Group's South African plant. This loan is for 10 years at Johannesburg Inter-Bank Agreed Rate (JIBAR) plus 4% with a 39 month moratorium on the principal amount. Interest accrued during the construction period and up to the first capital repayment date is capitalised against the loan up to a maximum threshold of ZAR2.4bn. The debt facility is guaranteed by the company.

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20 Borrowings (Contd.)

- (b) In 2011, Dangote Industries Limited (DIL) transferred its interests in certain African operations to the Company at a cost of N45.147 billion which was the total cost incurred by the Parent Company as at that date. DIL granted a N45 billion long term loan with a total of 10 year tenure, including an initial moratorium of 18 months. The interest is charged at 10% p.a on outstanding principal.
- (c) A subordinated loan of N55.4 billion was obtained by the Company from Dangote Industries Limited in 2010. N30 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% p.a. and is repayable in 5 years with a 2-year moratorium on principal. 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 N2.8 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.
- (d) Bulk Commodities International loan granted at an interest rate of 6% per annum represents short term funding requirements. The loan is repayable on demand.
- (e) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company the sum of N 24.5billion 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 N 20.7 billion. The difference of N 3.66 billion between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free 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.
- (f) The company has obtained a short term LC backed confirmation line of USD56,276,200. The facility is secured by a fixed and floating charge of all asset of the company and carries a nominal rate of 6%

21 Deferred revenue

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Deferred revenue arising from government grant (refer to (a) below)	2,550,954	3,012,492	2,550,954	3,012,339
	<u>2,550,954</u>	<u>3,012,492</u>	<u>2,550,954</u>	<u>3,012,339</u>
Current	140,716	602,101	140,716	602,101
Non-current	2,410,238	2,410,391	2,410,238	2,410,238
	<u>2,550,954</u>	<u>3,012,492</u>	<u>2,550,954</u>	<u>3,012,339</u>

- (a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012. The revenue was

22 Provisions for liabilities and other charges

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Balance at beginning of the year	487,311	466,893	274,782	141,823
Effect of foreign exchange differences	(12,199)	(19,827)	-	-
Provisions made during the year	342,766	33,262	(112,218)	132,959
Effect of acquisition of subsidiaries under common control	-	-	-	-
Unwind of discount	32,972	6,982	32,972	-
Balance at the end of the period	<u>850,850</u>	<u>487,310</u>	<u>195,536</u>	<u>274,782</u>

The above provision represents 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 for the mines which is estimated to be between the year 2025 to 2035.

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23 Cash and cash equivalent

	Group		Company	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Cash and bank balances	20,628,247	15,361,914	15,748,665	12,635,108
Short term deposits	48,521,988	29,063,405	48,521,989	29,063,405
	69,150,235	44,425,319	64,270,654	41,698,513
Bank overdrafts used for cash management purposes	(787,549)	(1,262,966)	-	-
Cash and cash equivalents	68,362,686	43,162,353	64,270,654	41,698,513

24 Related party transactions

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

	Group			
	Amount owed by related party		Amount owed to related party	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Parent company	-	-	818,239	-
Entities controlled by the parent company	4,708,425	3,786,698	8,771,912	5,741,570
Entities controlled by the company	-	334,767	-	2,482,271
Affiliates and associates of parent company	1,135,223	-	2,697,982	9,830,769
	5,843,648	4,121,465	12,288,133	18,054,610

	Company			
	Amount owed by related party		Amount owed to related party	
	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000	Period ended 30/09/13 N'000	Year ended 31/12/12 N'000
Parent company	-	-	818,239	5,741,570
Entities controlled by the parent company	4,449,304	3,786,697	8,771,912	2,482,271
Entities controlled by the company	133,796,748	85,925,971	-	-
Affiliates and associates of the parent company	1,135,223	334,767	2,697,982	8,505,055
	139,381,275	90,047,435	12,288,133	16,728,896

25 Contingent liabilities

No provision has been made in these consolidated financial statements for contingent liabilities in respect of litigation against the Company and its subsidiaries to N822.32 million (2011: N7.9 billion). According to the solicitors acting on behalf of the Company and its subsidiaries, the liabilities arising, if any, are not likely to be significant.

Sephaku Cement (Pty) Ltd entered into a joint loan agreement with Nedbank Capital and Standard Bank for a total debt facility of R1.95 bn (Naira 32. 3 Billion) in order to finalise the funding for the construction of it's cement manufacturing facilities at both Delmas and Aganang. Dangote Cement Plc., the Company has provided corporate guarantee to secure this debt facility.