NASCON ALLIED INDUSTRIES PLC

Financial Statements

For the period ended September 30, 2017

NASCON ALLIED INDUSTRIES PLC

Financial Statements
For the period ended September 30, 2017

CONTENTS **PAGE**

NASCON ALLIED INDUSTRIES PLC

Statement of Profit or Loss and Other Comprehensive Income

For the period ended September 30, 2017

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Continuing Operations				
Revenue	5	20,712,340	12,794,855	18,291,792
Cost of sales	7	(13,085,370)	(8,530,534)	(12,375,018)
Gross profit		7,626,970	4,264,321	5,916,774
Investment income	8	141,036	21,799	55,328
Other income	9	974	2,204	18,484
Distribution expenses	10.1	(517,663)	(537,354)	(638,189)
Administrative expenses	10.2	(1,217,135)	(972,524)	(1,478,395)
Finance cost	11	(72,113)	(185,674)	(357,671)
Profit before tax		5,962,069	2,592,772	3,516,331
Income tax expense	13	(1,907,862)	(829,687)	(1,101,148)
PROFIT FOR THE YEAR		**4,054,207**	**1,763,085**	**2,415,183**
Other comprehensive income, net of income tax		**-**		**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,054,207**	**1,763,085**	**2,415,183**
Earnings per share				
From continuing operations		-		-
Basic & Diluted (kobo)		**204**	**89**	**91**

NASCON ALLIED INDUSTRIES PLC

Statement of Financial Position
For the period ended September 30, 2017

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Assets				
Non-current assets				
Property, plant and equipment	16	8,844,271	6,377,140	6,346,688
Intangible asset	17	-	70,826	47,374
Other assets	18	5,513	5,513	5,513
Total non-current assets		**8,849,784**	**6,453,479**	**6,399,575**
Current assets				
Inventories	19	3,113,658	3,293,098	2,720,232
Trade and other receivables	20	9,119,039	8,721,355	10,178,751
Other assets	18	651,462	5,940,439	2,812,640
Cash and bank	21	5,103,988	730,207	2,492,069
Total current assets		**17,988,147**	**18,685,099**	**18,203,692**
Total assets		**26,837,931**	**25,138,578**	**24,603,267**
Equity and liabilities				
Equity				
Share capital	22	1,324,719	1,324,719	1,324,719
Share premium	23	434,037	434,037	434,037
Retained earnings	24	8,487,070	5,635,371	6,287,470
Total equity		**10,245,826**	**7,394,127**	**8,046,226**
Liabilities				
Borrowings	26	38,570	38,570	38,570
Retirement benefit obligation	27	237,330	257,465	249,635
Deferred tax liabilities	14	1,143,882	916,009	1,143,882
Total non-current liabilities		**1,419,782**	**1,212,044**	**1,432,087**
Current liabilities				
Bank overdraft	21	-	5,236	-
Trade and other payables	28	13,265,511	15,698,535	14,252,729
Current tax liabilities	13	1,906,812	828,636	872,225
Total current liabilities		**15,172,323**	**16,532,407**	**15,124,954**
Total liabilities		**16,592,105**	**17,744,451**	**16,557,041**
Total equity and liabilities		**26,837,931**	**25,138,578**	**24,603,267**

The financial statements and the notes on pages 6 to 39, were approved by the board on October 23, 2017 and were signed on its behalf by

Paul Farrer
Managing Director
FRC/2016/IODN/00000015797

Iwamofe Tunde
Finance Controller
FRC/2013/ICAN/00000002247

NASCON ALLIED INDUSTRIES PLC

Statement of Changes in Equity
For the period ended September 30, 2017

	Share capital N'000	Share premium N'000	Revaluation reserve N'000	Retained earnings N'000	Total equity N'000
Balance at January 1, 2016	1,324,719	434,037	-	5,329,478	7,088,234
					-
Profit for the year				2,415,183	2,415,183
Other comprehensive income for the year (net of tax)	-	-	-	-	-
Total comprehensive income	-	-	-	2,415,183	2,415,183
Adjustment				-	-
Payment of dividends				(1,457,191)	(1,457,191)
Balance at December 31, 2016	**1,324,719**	**434,037**	**-**	**6,287,470**	**8,046,226**
					-
Profit for the year	-	-		4,054,207	4,054,207
Other comprehensive income for the year (net of tax)	-	-		-	-
Total comprehensive income	-	-	-	4,054,207	4,054,207
Payment of dividends				(1,854,607)	(1,854,607)
Balance at September 30, 2017	**1,324,719**	**434,037**	**-**	**8,487,070**	**10,245,826**

NASCON ALLIED INDUSTRIES PLC

Statement of Cash Flows
For the period ended September 30, 2017

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Cash flows from operating activities				
Cash receipt from customers		20,520,119	12,685,629	18,509,103
Cash paid to suppliers and employees		(11,551,913)	(11,995,597)	(15,740,395)
Cash generated from operations	29	8,968,206	690,032	2,768,708
			-	
Tax paid	13	(873,275)	(530,212)	(530,212)
Net cash provided by operating activities		**8,094,931**	**159,820**	**2,238,496**
Cash flows from investing activities				
Purchase of intangible assets				-
Purchase of PPE	16	(3,700,808)	(362,249)	(535,361)
Proceed from sale of PPE		3,480	5,010	5,011
Interest received	8	141,036	21,799	55,328
Net cash provided by investing activities		**(3,556,292)**	**(335,440)**	**(475,022)**
Cash flows from financing activities				
Dividend paid	25	(1,854,607)	(1,457,191)	(1,457,191)
Interest paid	11	(72,113)	(185,675)	(357,671)
Net cash provided by financing activities		**(1,926,720)**	**(1,642,866)**	**(1,814,862)**
Net Increase/(decrease) in cash and cash equivalents		2,611,919	(1,818,486)	(51,388)
Cash and cash equivalents at January 1, 2017		2,492,069	2,543,457	2,543,457
Cash and cash equivalents at September 30, 2017	21	**5,103,988**	**724,971**	**2,492,069**

Notes to the Financial Statements
For the period ended September 30, 2017

1. GENERAL INFORMATION

National Salt Company of Nigeria Plc. (Now NASCON ALLIED INDUSTRIES Plc.) was incorporated in Nigeria as a limited liability company on 30 April 1973. It was fully privatized in April, 1992 and became listed on the Nigerian Stock Exchange on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional NASCON PLC shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns 62.19% of the issued share capital, while the remaining 37.81% is held by the Nigerian public.

The ultimate controlling Company is Greenview International Corporation.

The registered address of the Company is located at Salt City, Ijoko Ota, Ogun State.

1.1 The principal activity

The principal activity of the Company is the refining and sale of Edible, Refined, Bulk and Industrial Salt, Tomato Paste, Vegetable Oil as well as Seasoning. The Company's products are sold through distributors across the country.

1.2 Financial period

These financial statements cover the financial period from January 1, 2017 to September 30, 2017 with comparatives for for same period ended September 30, 2016.

1.3 Going Concern status

The Company has consistently turned in profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance with IFRS

The financial statements are prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, 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.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand.

2.3.1 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.4 Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, after deducting discounts, customer returns, VAT, volume rebates and other similar allowance. Sales are stated at their invoiced amount which is net of value added taxes and discounts.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company 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 associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self-collection terms) and legal title is passed.

2.5 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, 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 Employee Benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

2.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other 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.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting sheet date. Education tax is assessed at 2% of the assessable profits.

Deferred tax

Deferred tax assets and liabilities 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit and 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 recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 Property, plant and equipment

2.8.1 Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Fixed assets 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, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of comprehensive income.

2.8.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.8.3 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings – 50 years (2%)
- Plant and Machinery – 15 years (6.67%)
- Motor Vehicles – 4 years (25%)
- Computer Equipment – 3 years (33.3%)
- Tools and Equipment – 4 years (25%)
- Furniture and Equipment – 5 years (20%)

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Property, plant and equipment (cont'd)

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases - Lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amount recogniised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted

Any contingent rentals are expensed in the period 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 assets are consumed.

Where there are no agreed lease terms, rent payable is recognised as incurred.

2.10 Intangible assets

Intangible assets

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized 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.

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of tangible and intangible assets excluding goodwill (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of engineering spares and consumable stock is determined on a weighted average basis. Cost of other stock (Raw materials, packaging materials, work in progress and finished goods) is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventory includes purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.12 Provisions

Provisions are recognised when:

- the Company 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 (when the time value of money is material).

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. Where 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 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.

If Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12.1 Environmental costs

Costs incurred that result in future economic benefits, such as extending useful lives, increasing capacity or safety, and those costs incurred to mitigate or prevent future environmental contamination are capitalized. When the Company‘s management determine that it is probable that a liability for environmental costs exists and that its resolution will result in an outflow of resources, an estimate of the future remediation cost is recorded as a provision without contingent insurance recoveries being offset (only virtually certain insurance recoveries are recognized as an asset on the statement of financial position). When we do not have a reliable reversal time schedule or when the effect of the passage of time is not significant, the provision is calculated based on undiscounted cash flows.

Environmental costs, which are not included above, are expensed as incurred.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification

The Company classifies financial assets into the following specified categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

Classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The Company's financial assets comprise loans and receivables.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability (debt) or an equity instrument in accordance with the substance of the contractual arrangement.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses recognised in profit or loss include interest.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial instruments designated as loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.13 Financial instruments

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all categories of 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 owner will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, 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 Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with a default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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.

Derecognition of financial assets

The Company 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and 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.

The Company derecognises financial liabilities when, and only when the 0.73 billion'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 0.74 billion.

Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid investments and cash equivalents which are not subject to significant changes in value and with an original maturity date of generally less than three months from the time of purchase.

Classification as debt or equity

Debt and equity instruments 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.

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 Company are recognised at the proceeds received, net of direct issue costs.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly estimates future cash payments (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 financial liability, or (where appropriate) , a shorter period, to the net carrying amount on initial recognition.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit and loss (FVTPL) or other liabilities.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term or on initial recognition;
- it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit taking;
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company’s documented risk management or investment strategy, and information about the grouping is provided on that basis; or it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘other gains and losses‘ line item.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company’s accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when the Company'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.

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Government grants

Government grants are not recognised until there is reasonable assurance that:

- the Company will comply with the conditions attached to them; and
- that the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related cost is recongnised as income of the period in which it becomes receiveable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial postion by setting up the grant as deferred income or by income or by deducting the grant in arriving at the carrying amount of the asset.

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 and the fair value of the loan based on prevailing market interest rates.

3. Critical accounting judgements and key sources of estimation uncertainity

In the application of the company's significant accounting policies, described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.2 Useful life of property, plant and equipment

The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

3.3 Allowance for credit losses

The Company periodically assesses its trade receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management, judgment is exercised in determining the allowances made for credit losses.

Provisions are made for receivables that have been outstanding for 365 days, in respect of which there is no firm commitment to pay by the customer.

Furthermore all balances are reviewed for evidence of impairment and provided against once recovery is doubtful. These assessments are subjective and involve a significant element of judgment by management on the ultimate recoverability of amounts receivable.

4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

Annual Improvements to IFRSs 2012 - 2014 cycle

The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below:

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held to sale to held for distribution to owners (or vice versa). The amendment clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendment to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of the market for high quality corporate bonds should be at the currency level (i.e the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Company's financial statements.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments 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 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.

The effective date of the amendments is for years beginning on or after January 1, 2016.

The company has adopted the amendments for the first time in the 2016 financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendment 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

As the Company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the formers investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Company's financial statements as the Company is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Amendments to IAS1: Disclosure initiatives

The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Compan

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments 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 application of these amendments has had no impact on the Company's financial statements as the Company is not engaged in agricultural activities.

4.2 New and revised IFRSs in issue but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2017 and early application is permitted; however, the Company has not applied the new or amended standards in preparing these financial statements.

Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below:

Amendments to IAS 7: Disclosure Initiative

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This inlcudes providing a reconciliation between the opening and closing balances arising from financing activities.

The Company will adopt the amendments for the year ending 31 December 2017.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendment is not expected to have any significant impact on the financial statements of the Company. The Company will adopt the amendments for the year ending 31 December 2017.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

FRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.

IFRS 15: Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services."

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 15 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.

Amendments to IFRS 2: Classification and measurement of Share-based Payment Transactions

Currently, there is ambiguity over how a company should account for certain types of share-based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 Share-based Payment.

The amendments cover three accounting areas:

- Measurement of cash-settled share-based payments
- Classification of share-based payments settled net of tax withholdings
- Accounting for a modification of a share-based payment from cash-settled to equity-settled

The new requirements could affect the classification and/or measurement of these arrangements – and potentially the timing and amount of expense recognised for new and outstanding awards.

The Company will adopt the amendments for the year ending 31 December 2018.

IFRIC 22: Foreign currency transactions and advance consideration
The amendments provide guidance on the transaction date to be used in determining the exchange rate for translation of foreign currency transactions involving an advance payment or receipt.

The amendments clarifies that the transaction date is the date on which the Company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

The interpretation applies when a Company:

- pays or receives consideration in a foreign currency; and
- recognises a non-monetary asset or liability – eg. non-refundable advance consideration – before recognising the related item

The effective date of the amendment is for years beginning on or after January 1, 2018.

The company expects to adopt the amendment for the first time in the 2018 financial statements.

Amendments to IAS 40: Transfers of Investment Property

The IASB has amended the requirements of IAS 40 Investment Property on when a Company should transfer a property to, or from, investment property

The amendments state that a transfer is made when and only when there is a change in use – i.e. an asset ceases to meet the definition of investment property and there is evidence of a change in use. A change in management intention alone does not support a transfer.

A company has a choice on transition to apply:

- the prospective approach – i.e. apply the amendments to transfers that occur after the date of initial application - and also reassess the classification of property assets held at that date; or
- the retrospective approach – i.e. apply the amendments retrospectively, but only if it does not involve the use of hindsight

The effective date of the amendment is for years beginning on or after July 1, 2018.

The company expects to adopt the amendment for the first time in the 2019 financial statements.

IFRS 16: Leases

FRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

a. assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
b. depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is yet to carry out an assessment to determine the impact that the initial application of IFRS 16 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2019.

5. Revenue

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

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Revenue from sales (Note 5.1)	17,746,517	11,208,724	15,855,872
Freight income	2,965,823	1,586,131	2,435,920
	20,712,340	**12,794,855**	**18,291,792**

5.1 The amount represents revenue realised during the period on the sale of Edible, Refined, Bulk and Industrial Salt as well as Seasoning, Tomato Paste and Vegetable Oil.

5.2 None of the customers contributed up to 10% of the total revenue earned in the period ended September 30, 2017

Other customers include leading blue chip companies in Nigeria, such as manufacturers of confectioneries, seasonings, refined edible oil, processed leather, noodles and oil refineries . They buy industrial salts of different grades and specifications.

5.3 The company provides freight services to customers by transporting purchased Salt, Tomato Paste and Vegetable Oil to their destinations. Freight income represents revenue earned and associated cost of running the freight services are rendered in cost of sales.

Distributors

The Company sells it products directly to distributors who redistribute to small wholesalers, confectioners, supermarkets and retailers. Salt retail packs come in various sizes 250g, 500g and 1kg and are sold under the brand name DANGOTE REFINED SALT. Seasoning are sold under the brand name DANQ, Tomato Paste sold as DANGOTE TOMATO PASTE and Vegetable Oil sold as DANGOTE VEGETABLE OIL.

6. Segmental information

The company has identified year reportable segments which represent the structure used by the Management to make key operating decisions and assess performance.

The company's reportable segments are treated as operating segments which are differentiated by the activities that each undertake, the products they manufacture and the markets they operate in.

Segmental revenue and results

The Management assesses the performance of the operating segments based on the measure of EBITDA. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. The results of discontinued operations are not included in the measure of EBITDA. This measure is consistent with all prior periods which are presented.

Transactions within the company take place at arms length.

Geographical Information

The company's revenue from customers by region of operations is listed below:

	30-09-2017	30-09-2016	31-12-2016
	N'000	N'000	N'000
EAST	1,712,846	824,147	1,178,218
WEST	4,459,055	3,561,396	5,091,447
NORTH	14,540,439	8,409,312	12,022,127
	20,712,340	12,794,855	18,291,792

7. Cost of Sales

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Direct material cost	8,124,937	5,091,875	7,231,144
Direct labour cost	633,004	601,134	823,370
Manufacturing Expenses	847,795	578,505	909,578
External Haulage	2,409,759	1,578,770	2,535,489
Depreciation	990,736	609,454	767,389
Loading	79,139	70,796	108,048
	13,085,370	**8,530,534**	**12,375,018**

8. Investment income

Interest income:

Bank deposits	368	255	340
Fixed deposits	140,668	21,544	54,988
	141,036	**21,799**	**55,328**

The interest income on bank deposits were earned at the average rate of 2017: 11.5% (2016: 9.9%) per annum.

9. Other Income

Sale of scrap	974	2,204	4,987
Credits no longer required	-	-	13,372
Insurance Claim	-	-	125
	974	**2,204**	**18,484**

Credits no longer required relates to the release of accruals for which there are no existing liabilities as at December 31, 2016.

10. Operating Expenses

10.1 Distribution Expenses

Market activation	112,513	51,340	123,286
Marketing expenses	405,150	486,014	514,903
	517,663	**537,354**	**638,189**

Notes to the Financial Statements
For the period ended September 30, 2017

10.2 Administrative Expenses

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Administrative and management fees		186,129	85,259	141,728
Auditors remuneration		13,050	11,750	17,400
Provision for bad debts		-	-	74,931
Bank charges		17,973	19,447	32,038
Cleaning		5,822	4,844	15,525
Consulting and professional fees		24,960	15,500	30,897
Depreciation	16	151,372	107,512	153,140
Amortisation	17	47,374	70,357	93,810
Directors' remuneration		136,046	107,048	144,138
Employee costs		304,963	275,329	430,403
Entertainment		9,420	7,054	12,800
Business development		9,723	7,273	10,809
Insurance		25,516	22,223	26,186
Rent and rates		8,984	13,967	17,225
Petrol and oil		11,380	8,013	11,999
Printing and stationery		7,829	15,436	19,780
Loss on sale of assets		2,457	22,171	22,171
Repairs and maintenance		19,019	21,195	28,985
Secretarial fees		80,278	42,189	39,024
Security		17,106	13,533	18,322
Staff welfare		37,694	30,957	33,196
IT & communication cost		74,315	46,441	57,983
Travel expenses		25,725	25,026	45,905
		1,217,135	**972,524**	**1,478,395**

11. Finance Cost

Finance charges	72,113	185,674	357,671
	72,113	**185,674**	**357,671**

12. Profit before tax for the year from continuing operations

Profit before tax for the year is arrived after charging the following:

	Notes	30-09-2017	30-09-2016	31-12-2016
Depreciation expense	16	1,142,109	716,966	920,529
Amortisation expense	17	47,374	70,357	93,810
Management fee		186,129	85,259	141,728
Director's remuneration		136,046	107,048	144,138
Consulting and professional fees		24,960	15,500	30,897
Staff cost		937,967	876,463	1,253,773
Auditor's remuneration		13,050	11,750	17,400

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

13. Taxation

Income tax recognised in profit or loss

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Current tax			
Current tax expense	1,788,621	777,832	799,938
Education tax	119,241	51,855	73,337
	1,907,862	829,687	873,275
Deferred tax			
Deferred tax expense	-	-	227,873
Total income tax recognised in current year	1,907,862	829,687	1,101,148

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004, the Education Tax Act CAP E4, LFN 2004. Corporation tax and education tax is calculated at 30 % and 2% respectively of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

The income tax expense for the year can be reconciled to the accounting profit as

	30-09-2017	30-09-2016	31-12-2016
Profit before tax from continuing operations	5,962,069	2,592,772	3,516,331
Income tax expense calculated at 30% (2017: 30%)	1,788,621	777,832	1,054,899
Education tax assessable at 2% of assessable profit	119,241	51,855	73,337
Effect of expenses that are not deductible in determining taxable profit.	-	-	-
Effect of concessions (research and development and other allowances	-	-	(11,089)
Effect of non - taxable income	-	-	(15,999)
	1,907,862	829,687	1,101,148

Current tax assets and liabilities

Current tax liabilities in the statement of financial position

	30-09-2017	30-09-2016	31-12-2016
Balance, beginning of the year	872,225	529,162	529,162
Charge for the year	1,907,862	829,687	873,275
Payment made during the year.	(873,275)	(530,213)	(530,212)
Balance, end of the year	1,906,812	828,636	872,225

14. Deferred tax balance

	30-09-2017	30-09-2016	31-12-2016
Deferred tax liability	(1,247,743)	(1,251,036)	(1,247,743)
Deferred tax asset	103,861	335,027	103,861
	(1,143,882)	(916,009)	(1,143,882)

Movement in deferred tax payable account

	30-09-2017	30-09-2016	31-12-2016
Balance, beginning of the year	1,143,882	916,009	916,009
Charge for the year	-	-	227,873
Balance end of September 30, 2017	1,143,882	916,009	1,143,882

Deferred tax as at 31 December 2016 was as a result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances granted for tax purposes.

Analysis of deferred tax is made up of:

	Opening balance	Recognized in profit or loss	Recognised in Other Comprehensive Income	Closing balance
9/30/2017				
Deferred tax (asset) or liability in relation to:				
Property, plant and equipment	1,247,742		-	1,247,742
Allowance for doubtful debt	(103,861)		-	(103,861)
	1,143,881	**-**	**-**	**1,143,881**
12/31/2016				
Deferred tax asset or liability in relation to:				
Property, plant and equipment	1,251,036	(3,294)	-	1,247,742
Allowance for doubtful debt	(335,027)	231,166	-	(103,861)
	916,009	**227,872**	**-**	**1,143,881**

15. Earnings per share

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Profit or loss for the period attributable to the equity holders of the company	4,054,207	1,763,085	2,415,183
Weighted average number of ordinary shares for the purpose of basic earnings per share as at September 30, 2017	2,649,438	2,649,438	2,649,438
Basic & Diluted earnings per share (kobo)			
From continuing operations	**204**	**89**	**91**

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

16. Property Plant and equipment

	FREEHOLD LAND & BUILDING N'000	PLANT & MACHINERY N'000	TOOLS & EQUIPMENT N'000	MOTOR VEHICLES N'000	COMPUTER EQUIPMENT N'000	FURNITURE & FITTINGS N'000	CAPITAL WORK-IN-PROGRESS N'000	TOTAL N'000
COST:								
Balance at January 1, 2017	1,385,261	4,978,804	264,931	2,634,111	92,960	119,259	420,953	9,896,279
Additions	27,042	24,367	41,740	3,469,880	17,031	3,621	117,127	3,700,808
Disposal				(14,742)		(3,819)		(18,561)
Transfer	1,113	70,870	5,404				(77,387)	-
Adjustments							(55,682)	(55,682)
Balance at September 30, 2017	**1,413,416**	**5,074,041**	**312,075**	**6,089,249**	**109,991**	**119,061**	**405,011**	**13,522,844**
Accumulated depreciation and impairment								
Balance at January 1, 2017	107,656	1,413,162	67,558	1,824,161	66,339	70,715	-	3,549,591
Depreciation expense	20,956	258,025	52,782	787,190	12,656	10,500	-	1,142,109
Eliminated on disposal	-	-	-	(10,589)	-	(2,538)	-	(13,127)
Balance at September 30, 2017	**128,612**	**1,671,187**	**120,340**	**2,600,762**	**78,995**	**78,677**	**-**	**4,678,573**
Carrying amount								
Balance at September 30, 2017	**1,284,804**	**3,402,854**	**191,735**	**3,488,487**	**30,996**	**40,384**	**405,011**	**8,844,271**
At 31 December 2016	**1,277,605**	**3,565,642**	**197,373**	**809,950**	**26,621**	**48,544**	**420,955**	**6,346,688**

16.1 Work-in-progress
Work-in-progress comprises amounts expended on Apapa palm oil tank farm and Oregun plant packaging machines

16.2 Adjustments to capital work in progress

The adjustment during the year represent cost of lease for Onne in Port Harcort expensed to profit or loss account in the current year.

16.3 Assets pledged as security

None of the company's assets were pledged as security for any liabilities as at September 30, 2017 (2016:Nil).

16.4 Impairment Assessment

There was no impairment loss or gain recongnised as at September 30, 2017 (2016: Nil).

17. Intangible Assets

	30-09-2017	30-09-2016	31-12-2016
Cost	N'000	N'000	N'000
At January 1, 2017	281,429	281,429	281,429
Additions	-	-	-
Balance at September 30, 2017	281,429	281,429	281,429
Amortization			
At January 1, 2017	234,055	140,246	140,245
Amortization expenses	47,374	70,357	93,810
Balance at September 30, 2017	281,429	210,603	234,055
Carrying amount			
Balance at September 30, 2017	-	70,826	47,374

Intangible asset (computer software) represents software which has a useful life of 3 years and amortized on a straight line basis over the year.

18. Other assets

	30-09-2017	30-09-2016	31-12-2016
Prepayments:			
Rent	56,302	62,469	35,376
Insurance	13,881	6,085	1,884
Medical	-	-	-
Deposit for import	586,792	5,877,398	2,780,893
	656,975	**5,945,952**	**2,818,153**
Current	651,462	5,940,439	2,812,640
Non-current	5,513	5,513	5,513
	656,975	**5,945,952**	**2,818,153**

19. Inventories

	30-09-2017	30-09-2016	31-12-2016
Raw materials	2,132,579	2,226,078	1,778,568
Finished goods	177,978	427,762	251,855
Spare parts and consumables	273,165	187,610	139,994
Packaging Materials	493,025	410,446	506,559
Oil and Lubricants	36,911	41,202	43,256
	3,113,658	**3,293,098**	**2,720,232**

19.1 Inventory pledged as security

No inventory was pledged as security for any liability.

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

20. Trade and other receivables

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Trade debtors		478,528	1,384,821	285,836
Impairment for bad debts		(12,688)	(803,701)	(12,688)
		465,840	581,120	273,148
Amounts due from related parties	33	7,977,728	7,917,173	9,745,773
Employee loans and advances		77,312	79,176	38,450
Advance to vendors		598,159	148,201	120,978
Insurance claim receivable		-	12,366	402
		9,119,039	**8,738,036**	**10,178,751**
Allowance for insurance receivable		-	-	-
Allowance for staff loans		-	(16,681)	-
		9,119,039	**8,721,355**	**10,178,751**

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

The average credit period taken on sales of goods is 30 days. No interest is charged on outstanding trade receivables. It is the company's policy to recognise a 100% allowance on receivables that are due for over 365 days based on management judgment that those receivables are unlikely to be recovered. Allowances for doubtful debts are recognised against trade receivables between 60 days and 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of their current financial position.

Trade receivables disclosed include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality.

20.1 Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Movement in allowance for doubtful debt

At January 1, 2017	12,688	803,701	803,701
Additions	-	-	74,931
Allowance written off	-	-	(803,701)
Reclassified to inter-company balance	-	-	(62,243)
At September 30, 2017	**12,688**	**803,701**	**12,688**

20.2 Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. There was nothing past due nor impaired as at September 30, 2017 as well as 2016.

The aging of amounts past due but not impaired is as follows:

0-30 Days	450,059	322,663	203,767
31-60 Days	9,423	92,103	45,658
61-90 Days	1,121	41,868	23,723
91-180 Days	5,237	124,486	-
Total	465,840	581,120	273,148

Trade and Other receivables impaired

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

The aging of these receivables is as follows:

360 + days	12,688	803,701	12,688
	12,688	803,701	12,688

Notes to the Financial Statements
For the period ended September 30, 2017

21. Cash and bank balances

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Cash on hand	6,740	7,455	7,165
Bank balance	5,097,248	722,752	2,484,904
	5,103,988	730,207	2,492,069
Bank overdrafts	-	(5,236)	-
	5,103,988	**724,971**	**2,492,069**

22. Share capital

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Authorised share capital:			
4,000,000,000 ordinary shares of 50kobo each	2,000,000	2,000,000	2,000,000
Issued and fully paid:			
2,649,438,000 ordinary shares of 50kobo each	1,324,719	1,324,719	1,324,719
	1,324,719	**1,324,719**	**1,324,719**

23. Share Premium

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
1995 :Rights issue 65,846,667 ordinary shares of 50k each at 2.84 premium	156,793	156,793	156,793
2007: Share Conversion	404,303	404,303	404,303
Less Deferred charges written off	(127,059)	(127,059)	(127,059)
	434,037	**434,037**	**434,037**

24. Retained earnings

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
At January 1, 2017	6,287,470	5,329,477	5,329,478
Dividend declared and paid	(1,854,607)	(1,457,191)	(1,457,191)
Profit for the year	4,054,207	1,763,085	2,415,183
	8,487,070	**5,635,371**	**6,287,470**

Notes to the Financial Statements
For the period ended September 30, 2017

25. Dividend

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Summary			
At 1 January	-	-	-
Dividend declared	(1,854,607)	(1,457,191)	(1,457,191)
	(1,854,607)	(1,457,191)	(1,457,191)
Payments - Meristem Registrars	1,854,607	1,457,191	1,457,191
At September 30, 2017	-	-	-

26. Borrowings

Held at amortised cost:

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Government grant	**38,570**	**38,570**	**38,570**

At the time of privatisation in 1992, the debt owed the Federal Government of Nigeria by the company was restructured by the Bureau for Public Enterprise . The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria.

27. Retirement benefit obligation

27.1 Movement in gratuity

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Balance as at January 1, 2017	249,635	300,514	300,514
Current Service cost	-	-	-
Benefits paid out	(12,305)	(43,049)	(50,879)
Balance as at September 30, 2017	**237,330**	**257,465**	**249,635**

As at September 30, 2017 no fund has been set up from which payments can be disbursed.

27.2 Defined contribution plans	**Notes**	**30-09-2017 N'000**	**30-09-2016 N'000**	**31-12-2016 N'000**

The employees of the company are members of Pension plan administered under the Pension Reform Act of 2014. The assets of the plans are held separately from those of the Company and managed by Pension Fund Administrators. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments effective July 2014

Staff pension

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
At January 1, 2017	8,317	7,192	7,192
Contributions during the year	97,181	72,317	97,227
Remittance in the year	(105,498)	(79,509)	(96,102)
At September 30, 2017	**-**	**-**	**8,317**

The only obligation of the company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of N50.08m represents contributions payable to this plan by the company as at September 30, 2017.

28. Trade and other payables

	Notes	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Trade creditors		846,672	876,088	927,913
Amounts due to related parties	33	9,278,119	12,775,434	9,823,997
Other creditors and accruals		1,867,704	845,799	488,921
Accrued audit fees		13,050	11,750	17,400
Customers deposit	28.1	1,199,101	1,167,344	2,890,342
Withholding tax payable		17,149	8,378	37,333
Other payables		-	-	37,652
Staff pension	27.2	-	-	8,317
Value added tax		43,716	13,742	20,854
		13,265,511	**15,698,535**	**14,252,729**

28.1 Customer's deposit

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
New deposits	1,199,101	1,167,344	2,890,342
At September 30, 2017	**1,199,101**	**1,167,344**	**2,890,342**

Customers' deposits relate to amount deposited by customers for which delivery has not been made during the period.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables. The directors consider that the carrying amount of trade payables approximates to the fair value.

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

29. Reconciliation of net income to net cash provided by operating activities

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Profit after tax	**5,962,069**	**2,592,772**	**3,516,331**
Adjustments to reconcile profit after tax to net cash provided			
Capital work - in - progress expenses			
Depreciation	1,142,108	716,966	920,529
Amortisation of intangible assets	47,374	70,357	93,810
Loss on sale of assets	2,457	22,172	22,171
Investment income	(141,036)	(21,799)	(55,328)
Finance costs	72,113	185,674	357,671
Allowance for doubtful debt		-	(74,931)
PPE Adjustment	55,682	3	-
Changes in assets and liabilities			
(Increase)/decrease in inventory	(393,426)	(1,360,097)	(787,230)
Decrease/(increase) in trade and other receivables	1,059,210	(3,868,809)	(5,251,274)
Decrease/(increase) in other assets - short term	2,161,178	(5,889,263)	(2,757,790)
(Increase)/decrease in other assets - long term	-	3,675	-
Increase/(decrease) in trade and other payables	(987,218)	8,281,430	6,835,628
Decrease in retirement benefit obligation	(12,305)	(43,049)	(50,879)
Decrease in tax payable	-	-	-
Total adjustments	**3,006,137**	**(1,902,740)**	**(747,623)**
Net cash provided by operating activities	**8,968,206**	**690,032**	**2,768,708**

30. Categories of financial instruments

Assets			
Trade and other receivables	9,119,039	8,721,355	10,178,751
Cash and cash equivalents	5,103,988	730,207	2,492,069
	14,223,027	9,451,562	12,670,820
Liabilities			
Overdraft	-	5,236	-
Trade and other payables	13,265,511	15,698,535	14,252,729
	27,488,538	25,155,333	26,923,549

31. Risk management

31.1 Capital Risk Management

The capital structure of the company consists of net debt (which includes the borrowings disclosed in note 26, offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements.

The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The company is not subject to any externally imposed capital requirements.

31.2 Gearing ratio

The Company is minimally geared for the reporting and comparative years.

31.3 Financial risk mangement

Risk management roles and responsibilities are assigned to stake holders in the company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Finance and Establishment Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk frame work. They assess compliance with established controls and recommendations for Improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

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

31.4 Foreign currency financial and credit risk

The company is exposed to market, credit and liquidity risks. The parent company's internal audit and risk management team is responsible for monitoring its exposure to each of the mentioned risks. This policy provides guidance over all treasury and finance related matters and is underpinned by delegated authority guidelines and detailed procedures. The main objectives of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business to maintain the integrity and liquidity of the investment portfolio and to manage the impact of foreign exchange and interest rate volatility on the company's net income.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company’s income or value of their holdings of financial instruments.

31.5 Sensitivity analysis for interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding at the reporting date. Its cash and cash equivalents with financial institutions have fixed interest rates.

31.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company . The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate (bank guarantee, insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company 's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

About 91% of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

The maximum exposure to credit risk at the reporting date was:

	30-09-2017 N'000	30-09-2016 N'000
Trade Receivables	465,840	581,120
Other Receivables	675,471	239,743
Cash and cash equivalents	5,103,988	730,207
	6,245,299	**1,551,070**

31.7 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

31.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company 's short-medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

At September 30, 2017	0-3 months N'000	3-6 months N'000	Total N'000
Financial liabilities			
Trade payables	535,013	311,659	846,672
Other payables	689,446	1,878,258	2,567,704
Due to related parties	4,028,699	5,249,420	9,278,119
Borrowings			-
	5,253,158	**7,439,337**	**12,692,495**

At September 30, 2016	0-3 months N'000	3-6 months N'000	Total N'000
Financial liabilities			
Trade payables	853,519	-	853,519
Other payables	857,549	-	857,549
Due to related parties	1,989,832	5,181,481	7,171,313
Overdrafts	-	5,236	5,236
Borrowings	-	38,570	38,570
	3,700,900	**5,225,287**	**8,926,187**

32. Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

	Book Value		**Fair Value**	
	30-09-2017 N'000	**30-09-2016 N'000**	**30-09-2017 N'000**	**30-09-2016 N'000**
Financial Asset				
Trade and other receivables	9,119,039	8,721,355	9,119,039	8,721,355
Cash and cash equivalents	5,103,988	730,207	5,103,988	730,207
Financial Liabilities				
Bank Loans (Overdrafts)	-	5,236	-	5,236
Trade and Other Payables	13,265,511	15,698,535	13,265,511	15,698,535
Employee Benefit	237,330	257,465	237,330	257,465
Government Grant	38,570	38,570	38,570	38,570

The Book value of the Trade and other receivables is arrived at by factoring allowance for doubtful debts on trade receivables and other receivables.

The carrying amount of bank overdrafts and loans is approximately equal to their fair value.

NASCON ALLIED INDUSTRIES PLC

Notes to the Financial Statements
For the period ended September 30, 2017

33. Related parties

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Intercompany receivables			
Dangote Pasta Limited	7,918	7,918	7,918
Dangote Sugar Refineries	12,485	45,697	46,371
Dangote Noodles Limited	5,044	5,044	8,346
Dangote Cement - Ibeshe	-	22,421	22,394
Dangote Cement - Gboko	4,320	4,320	4,320
Dangote Flour	3,066		
Dangote Foundation	-	12,542	-
West African Popular Foods	124,486	-	124,486
Bulk Commodities Ltd	7,882,652	7,831,773	9,594,181
Provision for doubtful related party receivables	(62,243)	(12,542)	(62,243)
	7,977,728	**7,917,173**	**9,745,773**
Intercompany payables			
Parent and ultimate controlling party			
Dangote Industries Limited (Parent)	**3,013,668**	**5,850,326**	**6,301,212**
Other related party payables			
Dangote Sugar Refineries	-	2,928	-
Dansa Foods Limited	300	300	300
Dangote Cement	24,194	24,194	29,474
Agrosack Ltd	180,167	75,504	141,741
Dangote Transport	22,962	22,962	22,962
Dangote Head office	2,605,359	845,075	1,007,483
Benue Cement	81,922	81,922	81,922
Benue Cement-Truck scheme	54,398	54,398	54,398
DANCOM	1,451	10,520	5,247
Central TPT Parts Store	362,040		139,009
Bulk Commodities Ltd	2,931,658	5,807,305	2,040,249
Provision for doubtful related party receivables	-	-	-
	6,264,451	**6,925,108**	**3,522,785**
	9,278,119	**12,775,434**	**9,823,997**

Identity of related parties

Related parties	Nature of related party transactions
Greenview International Corporation	Ultimate holding company
Dangote Transport Limited	Fellow subsidiary company -- provides haulage services
Dangote Sugar Refinery Plc.	Fellow subsidiary company -- buys crude salt and also provide warehouse facility for which NASCON pays rent
Dansa Foods Limited	An entity controlled by a key management personnel of the Company that has trading relationship with the Company.
Dangote Flour Mills Plc.	Fellow subsidiary
Dangote Pasta Limited	Fellow subsidiary - NASCON provides haulage services
Dangote Industries Limited	Parent company -- provides management support
Dangote Noodles Limited	Fellow subsidiary company -- buys Table salt
Dangote Agrosacks	Fellow subsidiary -- Supplies empty sacks for bagging finished salt
Green view Development Company Limited	Fellow subsidiary
Benue Cement	Fellow subsidiary-NASCON buys trucks
DANCOM	Fellow subsidiary-Service provider for IT services
Dangote Cement Plc.	Fellow subsidiary company that buys crude salt
Obajana Cement	Fellow subsidiary -NASCON provides haulage services
Bulk Commodities	Fellow subsidiary (Agent for purchase
Dangote Foundation	Fellow subsidiary
West African Popular Foods	JV involving parent company (Sales of salt Annapurna Salt)
Central TPT Parts Store	Fellow subsidiary (Sales of spares for trucks)

Information regarding Director and employees

34. Directors

	30-09-2017 N'000	30-09-2016 N'000	31-12-2016 N'000
Director's emoluments comprise:			
Fees	15,375	15,375	18,150
Others	120,671	91,673	125,988
	136,046	**107,048**	**144,138**

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

N'000	Number	Number	Number
0 - 10,000	8	8	8
11,000 -20000	-		-
21000 -30000	-	-	-
31000 -45000	2	2	2
	10	**10**	**10**

35. Employees

Number of employees in receipt of emoluments excluding allowances and pension costs within the following ranges were:

	30-09-2017	30-09-2016	31-12-2016
N'000	**Number**	**Number**	**Number**
0 - 5000	491	486	472
5000 -10000	20	11	13
	511	**497**	**485**

Average number of employees employed during the year:

	30-09-2017	30-09-2016	31-12-2016
	Number	**Number**	**Number**
Management	43	31	29
Senior Staff	155	123	124
Junior Staff	313	343	332
Total	**511**	**497**	**485**

Aggregate payroll costs:	30-09-2017	30-09-2016	31-12-2016
Wages, salaries, allowances and other benefits	883,880	836,408	1,220,500
Pension cost	54,087	40,055	54,002

36. Capital commitments

The Company's total capital commitments as at September 30, 2017 amounted to N.041 billion in respect of purchase of raw salt and Seasoning material (2016: N154.4 million).

37. Contingent assets and Contingent liabilties

37.1 Pending litigation and claims.

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to N17,102,751.72 as at September 30, 2017 (2016 - N17.10). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these cliam, thus no provision has been made in these financial statements.

37.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

38. Approval of financial statements

The board approved the financial statements during its meeting of October 23, 2017