DANGOTE SUGAR

DANGOTE SUGAR REFINERY PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2017

Contents

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2017

	Note	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Continuing operations							
Revenue	5	118,676,745	169,724,936	70,471,846	115,267,392	167,409,161	68,355,449
Cost of sales	6	(91,786,741)	(146,736,355)	(56,553,393)	(88,459,432)	(141,924,887)	(54,258,891)
Gross profit		**26,890,004**	**22,988,581**	**13,918,453**	**26,807,960**	**25,484,274**	**14,096,558**
Other income	11	127,891	748,015	116,607	118,078	662,444	67,252
Selling and distribution expenses	7	(411,147)	(1,272,524)	(488,233)	(396,639)	(1,259,946)	(478,018)
Administrative expenses	7	(2,993,722)	(5,407,589)	(2,260,803)	(2,499,925)	(4,369,569)	(1,820,594)
Operating profit	14	**23,613,027**	**17,056,483**	**11,286,024**	**24,029,474**	**20,517,203**	**11,865,198**
Investment income	8	1,658,020	601,473	126,382	1,658,020	601,473	126,382
Fair value adjustment	9	283,920	2,504,787	(7,533)	-	-	-
Finance costs	10	(301,457)	(548,309)	(249,291)	(211,703)	(359,152)	(197,652)
Profit before tax		**25,253,510**	**19,614,434**	**11,155,582**	**25,475,791**	**20,759,524**	**11,793,928**
Income tax expense	12	(8,152,253)	(5,218,496)	(3,774,057)	(8,152,253)	(6,560,831)	(3,774,057)
Profit for the year		**17,101,257**	**14,395,938**	**7,381,525**	**17,323,538**	**14,198,693**	**8,019,871**
Total comprehensive income for the year		**17,101,257**	**14,395,938**	**7,381,525**	**17,323,538**	**14,198,693**	**8,019,871**
Attributable to:							
Owners of parent		17,112,371	14,386,076	7,413,442	17,323,538	14,198,693	8,019,871
Non-controlling interest		(11,114)	9,862	(31,917)	-	-	-
		17,101,257	**14,395,938**	**7,381,525**	**17,323,538**	**14,198,693**	**8,019,871**
Earnings per share							
Basic and diluted earnings per share (Kobo)	15	**285**	**120**	**123**	**289**	**118**	**134**

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

		GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Assets							
Non-current assets							
Property, plant and equipment	16	55,690,193	54,802,604	55,436,310	32,064,670	29,591,825	29,612,389
Intangible assets	17	6,952	12,753	74,662	6,502	12,753	59,629
Other assets	19	556,703	53	44,081	12,388	53	12,388
Investments in subsidiaries	21	-	-	-	3,214,923	3,214,923	3,214,923
Long term investments				15,347			15,347
Deferred tax assets	13	10,103,855	10,103,855	2,967,532	342,069	342,069	-
Total non-current assets		**66,357,703**	**64,919,265**	**58,537,932**	**35,640,552**	**33,161,623**	**32,914,677**
Current assets							
Inventories	22	44,406,529	47,409,042	15,138,215	40,251,843	45,648,975	13,924,629
Biological assets	18	2,539,547	3,008,277	1,729,617	-	-	-
Trade and other receivables	23	25,237,795	17,733,087	10,788,800	59,786,491	54,628,911	45,090,640
Other assets	19	30,344,197	9,426,223	273,852	30,344,197	8,759,770	273,852
Held for sale investment in Subsidiary	20	864,647	864,647	864,647	864,647	864,647	864,647
Cash and cash equivalents	24	33,411,547	35,020,290	24,346,523	32,956,457	32,872,122	23,549,839
Total current assets		**136,804,261**	**113,462,375**	**53,141,655**	**164,203,634**	**142,774,425**	**83,703,606**
Total assets		**203,161,964**	**178,381,640**	**111,679,587**	**199,844,180**	**175,936,048**	**116,618,283**
EQUITY							
Share capital	25	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	64,004,764	54,092,393	47,492,818	72,387,764	62,264,226	56,085,404
		76,325,288	**66,412,917**	**59,813,342**	**84,708,288**	**74,584,750**	**68,405,929**
Non-controlling interest	27	(272,001)	(260,887)	(283,034)	-	-	-
		76,053,288	**66,152,030**	**59,530,307**	**84,708,288**	**74,584,750**	**68,405,929**
LIABILITIES							
Employee benefits	29	1,028,426	1,031,024	1,035,671	812,934	815,532	820,179
Deferred tax liabilities	13	11,475,269	11,475,269	5,150,119	5,641,549	5,641,549	4,768,318
Total non-current liabilities		**12,503,694**	**12,506,293**	**6,185,790**	**6,454,482**	**6,457,081**	**5,588,497**
Current tax liabilities	12.3	12,419,885	6,600,053	6,633,864	12,387,784	6,567,952	6,601,762
Retirement benefit obligation	29						
Trade and other payables	30	99,325,908	88,278,397	37,031,391	95,468,912	85,521,443	33,723,861
Borrowings	28	2,034,478	2,036,393	-	-	-	-
other liabilities	31	824,711	2,808,474	2,298,234	824,711	2,804,822	2,298,234
Total current liabilities		**114,604,982**	**99,723,317**	**45,963,489**	**108,681,408**	**94,894,218**	**42,623,857**
Total liabilities		**127,108,677**	**112,229,610**	**52,149,280**	**115,135,890**	**101,351,299**	**48,212,354**
Total equity and liabilities		**203,161,964**	**178,381,640**	**111,679,587**	**199,844,180**	**175,936,048**	**116,618,283**

Engr. Abdullahi Sule
Ag. Chief Executive Officer
FRC/2013/NSE/00000002065

Elim A. Bassey
Ag. Chief Financial Officer
FRC/2013/ICAN/00000001942

These financial statements were approved and authorised for issue by the Board of Directors on July 27th, 2017.

The notes on pages 7 to 42 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30 2017

Company	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total attributable to owners of parent company N'000	Non-controlling interest N'000	Total N'000
Balance as at January 1, 2016	**6,000,000**	**6,320,524**	**54,065,533**	**66,386,057**	-	**66,386,057**
Profit for the year	-	-	14,198,693	14,198,693		14,198,693
Other comprehensive loss (net of tax)	-	-	-	-	-	-
Actuarial loss on gratuity/Adjustment	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Dividend paid	-	-	(6,000,000)	(6,000,000)	-	(6,000,000)
Balance as at December 31, 2016	6,000,000	6,320,524	62,264,226	**74,584,750**	-	**74,584,750**
Profit for the period	-	-	17,323,538	17,323,538		17,323,538
Other comprehensive loss (net of tax)	-	-	-	-	-	-
Actuarial loss on gratuity/Adjustment	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Dividend paid	-	-	(7,200,000)	(7,200,000)	-	(7,200,000)
Balance as at June 30,2017	**6,000,000**	**6,320,524**	**72,387,764**	**84,708,288**	-	**84,708,288**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30 2017

Group	Share Capital	Share Premium	Retained Earnings	Total attributable to owners of parent company	Non-controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at January 1, 2016	**6,000,000**	**6,320,524**	**45,706,317**	**58,026,841**	**(270,749)**	**57,756,092**
Profit for the year	-	-	14,386,076	14,386,076	9,862	14,395,938
Other comprehensive loss (net of tax)	-	-	-	-	-	-
Actuarial loss on gratuity	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Dividend paid	-	-	(6,000,000.00)	(6,000,000)	-	(6,000,000)
Balance as at December 31, 2016	**6,000,000**	**6,320,524**	**54,092,393**	**66,412,917**	**(260,887)**	**66,152,030**
Profit for the year	-	-	17,112,371	17,112,371	(11,114)	17,101,258
Other comprehensive loss (net of tax)	-	-	-	-	-	-
Actuarial loss on gratuity	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Dividend paid	-	-	(7,200,000)	(7,200,000)	-	(7,200,000)
Balance as at June 30,2017	**6,000,000**	**6,320,524**	**64,004,764**	**76,325,288**	**(272,001)**	**76,053,288**

CONSOLIDATED AND SEPARATE
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED JUNE 30 2017

	Note	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Cash flows for operating activities							
Profit before tax		**25,253,510**	**19,614,434**	**11,155,582**	**25,475,791**	**20,759,524**	**11,793,928**
Adjustments for non-cash income and expenses:							
Depreciation		2,109,917	4,659,996	2,204,156	1,667,187	3,149,141	1,604,011
Ammortisation of intangible assets		5,801	123,818	61,913	6,251	93,751	46,875
Loss on sale of assets			40,374			40,374	
Impairment loss on property, plant and equipment		-	-	-	-	-	
Impairment loss recognised on trade receivables		-	-	-	-	-	
Other non cash items		-	935,456	-			-
Impairment loss recognised on other receivables		-	-		-	-	
Fair value adjustment		-	(2,504,787)		-	-	
Finance cost		-	299,020			112,575	
Interest received/investment income		(1,658,020)	(601,473)	(126,382)	(1,658,020)	(601,473)	(126,382)
Transfer of assets		-	-	-	-	-	-
Disposal		-	-	-	-	-	-
Actuarial loss on gratuity scheme		-	-	-	-	-	-
Effect of acquisitoin of subsidiary		-	-	-	-	-	-
Changes in operating assets and liabilities:							
NCI							
(Increase)/decrease in inventories		3,002,513	(31,861,024)	409,803	5,397,132	(31,613,587)	110,761
Increase in biological assets		468,730	1,382,289	1,708,093	-		-
(Increase)/decrease in trade and other receivables		(7,503,908)	(3,030,382)	3,914,708	(5,157,580)	(5,564,762)	3,973,509
Increase in other assets		(21,474,624)	(8,252,115)	856,228	(21,596,762)	(8,377,104)	96,479
Increase in other liabilities		(1,983,763)	695,592	185,351	(1,980,111)	692,921	186,333
investment in subsidiary		-		-	-		-
Increase in trade payables		11,047,511	60,186,888	8,930,882	9,947,469	60,990,335	9,192,753
Increase in employee benefits		(2,598)	(48,043)	(43,396)	(2,598)	(48,043)	(43,396)
Increase/Decrease in Investment		-		-	-		0
Cash generated from operations		**9,265,070**	**41,640,043**	**29,265,938**	**12,098,760**	**39,633,652**	**26,834,872**
Gratuity scheme payments		-	-	-	-	-	-
Finance Cost		1,658,020	(299,020)	126,382	1,658,020	(112,575)	126,382
Tax paid in the year		(2,332,421)	(4,972,091)	(2,682,668)	(2,332,421)	(4,972,091)	(2,682,668)
Net cash from operating activities		**8,590,669**	**36,368,932**	**26,709,652**	**11,424,359**	**34,548,986**	**24,278,586**
Cash flows from investing activities							
Purchase of investment in subsidiary company		-	-	-	-	-	-
Purchase of other long term investments		-	-	(15,347)	-	-	(15,347)
Purchase of Property, plant and equipment	15	(2,997,506)	(4,085,531)	(2,840,665)	(4,140,032)	(3,101,264)	(1,145,690)
Sale of Property,plant and equipment	15	-	406,145	-	-	390,634	-
Purchase of intangible asset	16	-	-	-	-	-	-
Interest received		-	601,473	-		601,473	-
Payment in respect of acquisition under common control		-	-	-	-	-	-
Net cash used in investing activities		**(2,997,506)**	**(3,877,913)**	**(2,856,012)**	**(4,140,032)**	**(2,109,157)**	**(1,161,037)**
Cash flows from financing activities							
Dividends paid		(7,200,000)	(6,000,000)	(6,000,000)	(7,200,000)	(6,000,000)	(6,000,000)
Loan obtained during the year		-	2,036,393	-	-	-	-
Payment of loans		(1,915)	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)
Net cash used in financing activities		**(7,201,915)**	**(6,463,607)**	**(8,500,000)**	**(7,200,000)**	**(8,500,000)**	**(8,500,000)**
Net increase / (decrease) in cash and cash equivalents		(1,608,753)	26,027,412	15,353,638	84,327	23,939,829	14,617,550
Cash and cash equivalents at beginning of year		35,020,299	8,992,887	8,992,887	32,872,122	8,932,293	8,932,293
Cash and cash equivalents at end	23	**33,411,547**	**35,020,299**	**24,346,523**	**32,956,457**	**32,872,122**	**23,549,839**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30 2017

1. General information

The Company was incorporated as a Public Limited Liability company on 4 January 2005, commenced operation on 1 January 2006 and became quoted on the Nigerian Stock Exchange in March 2007. Its current shareholding is 68% by Dangote Industries Limited and 32% by Nigerian public

The ultimate controlling party is Dangote Industries Limited.

The registered address of the Company is located at GDNL Administrative Building, Terminal E, Shed 20 NPA Apapa WharfComplex, Apapa, Lagos

1.11 The principal activity

The principal activity of the Group is the refining of raw sugar into edible sugar and the selling of refined sugar. The Company's products are sold through distributors across the country

1.12 Going Concern status

The Company has consistently been making profits. 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

1.13 Operating environment

Including economic, political and social, and legal legislative risks. As has happened in the past, actual or percieved financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general.The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years.These conditions could slow or distrupt Nigeria's economy, adversly affecting the Company's access to capital and cost of capital for the Company and more generally, its business, result of operation, financial condition and prospects

1.14 Financial period

These financial statements cover the financial period from 1 January 2016 to 30 September 2016 with comparatives for the year ended 31 December 2015 and 30 September 2015 respectively

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30 2017 (Cont'd)

1.2 SIGNIFICANT ACCOUNTING POLICIES

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

1.2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting standards (IFRS)

1.2.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis fair value of the consideration given in exchange for assets.
The principal accounting policies are set out below.

1.3 Consolidation
Subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary- Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

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

1.3.1 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

1.3.2 Revenue recognition

Revenue is derived principally from the sale of goods and is measured at the fair value of consideration received or receivable, after deducting discounts,volume rebates, volume rebates, value added tax and any estimated customer returns. Sales are stated at their invoiced amount which is net of value added taxes and discounts.

<u>Sale of goods</u>

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.

1.3.2 Revenue recognition (continued)

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

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 expe-cted life of the financial assets to that assets's net carrying amonut on initial recognition

1.3.3 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.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit Credit Metod, with acturial valuations being carried out at the end of each reporting period. Acturial gains and losses are recognised immediately in the Statement of other comprehen-sive income.Past service cost is recognised immediately in the profit or loss account to the extent that the benefits are vested, and otherwise is amortised on a straight line basis over the average period untill benefits become vested.

The retirement benefit obligation recognised in the statements of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as

unrecognized actuarial losses and past service costs, plus the present value of available refunds and

1. 3.4 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 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 of 30% at the reporting sheet date. Education tax is assessed at 2% of the assessable profits.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

1.3.4 TAXATION (continued)

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.

Upon disposal of an associate that results in the Company losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company account for all amounts previously recognised in other income in relation to that associate on the assets or liabilities. Therefore , if a gain or loss previously recognized in order comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets and liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustments) when it loses significant influence over the associate.

When the company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interest in the associates that are not related to the Company.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies.

1.3.5 Property, plant and equipment

i. 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

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.

ii. 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.

1.3.5 Property, plant and equipment (continued)

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its 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%)
•Aircraft – 25 years (4%)

Freehold land is not depreciated

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.

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.

1.3.6 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 lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

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

1.3.7 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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 derecognized.

1. 3.8 Impairment of Tangible and intangible assets other than 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.

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.

1. 39 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.

1.39.1 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.

1.39.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as 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

1.39.3 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.

1.39.4 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 cost 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.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, investments, available-for-sale (AFS), financial assets and loans and receivables. The 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 other loans and receivables.

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 on 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.

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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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 Group 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.

1.39.4 Financial Instruments (continued)

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 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 assets original effective 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.

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.

1.39.4 Financial Instruments (continued)

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity
Debts 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.

Financial liabilities
Financial liabilities are classified as either financial liabilities at fair value through P&L (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 the portfolio of identified financial instrument that the company manages together and has a recent actual pattern of short term profit taking;
- or 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.

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.

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.

1.39.5 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effects of all dilutive potential ordinary shares.

1.39.6 Functional and presentation currency

Functional and presentation currency

Items included in the Consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated and separate financial statements are presented in Naira which is the Group's functional and presentation currency.

Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary

loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date and are not restated.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined and are not restated.

1.39.7 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.

1.39.8 Segment information

Information reported to the Chief Operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance focuses on its sole product, refined sugar based on different geographical location. Segment reporting has been prepared based on the geographicalinformation of the group.

1.39.9 Biological assets

A biological asset is defined as a living animal or plant while biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in biological asset.

Recognition of assets

The Group recognises biological assets or agricultural produce when, and only when, all of the following conditions are met:

the Group controls the asset as a result of past events;
it is probable that future economic benefits associated with the asset will flow to the Group; and
the fair value or cost of the asset can be measured reliably.
Biological asset consists of cane roots and growing cane which are yet to be harvested as at year end, and these are measured at fair value.

2 Significant judgements and sources of estimation uncertainty

In the application of the Group's significant accounting policies, described in note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets

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 ongoing 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.

Critical judgements and sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

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.

Revenue Recognition

In recognising revenue, critical judgement is made with respect to the mode of delivery. Where the customer opts to make personal arrangement to take delivery of goods by bringing his own truck, revenue is recognised as soon as the truck is loaded and a waybill is generated. However, where the customer opts for delivery to be made using DSR trucks, revenue is recognised only when the goods are delivered at the address provided and receipt of same is acknowledged on the waybill

2 Significant judgements and sources of estimation uncertainty (continued)

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.

Fair values of biological assets

The fair value of the biological asset is derived using a replacement cost approach. Management uses estimates for the costs to replace the biological asset by segmenting the assets into their various life circles less expected costs to produce and sell the sugar and molasses, which are determined by considering historical actual costs incurred on a per hector basis. The estimated selling price and costs are subject to fluctuations based on the timing of prevailing growing conditions economic and market conditions as obtained from the various units directly involved in the sales and biological transformation of the assets

Fair values of biological assets
Cane roots:

The fair value of the cane roots is derived using a replacement cost approach, which is adjusted for the remaining expected useful life of the cane roots. This requires an estimate from management of the expected useful lives of the cane roots, which has been assessed as 5 years.

Growing cane:
Growing cane is valued using the estimated yield in tons of sugarcane projected to be harvested from the existing cane roots, less estimated costs of harvest and transport. For this purpose, management is required to assess the estimated selling price, which has been adjusted for time value of money and inflation based on prevailing market and economic conditions.

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

Useful life of property, plant and equipment
The Group 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.

		GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
5	**Revenue**						
	Revenue from the sale of sugar - 50kg	113,719,606	162,918,000	67,479,312	110,510,611	160,666,526	65,390,629
	Revenue from the sale of sugar - Retail	2,730,389	3807756	1,610,176	2,730,389	3,807,756	1,610,176
	Revenue from the sale of molasses	213,277	198243	58,127	213,277	133,942	30,414
	Freight income	2,013,473	2800937	1,324,230	1,813,115	2,800,937	1,324,230
		118,676,745	**169,724,936**	**70,471,846**	**115,267,392**	**167,409,161**	**68,355,449**

5.1 Segment information

Information reported to the chief operating decision maker (the Managing Director) for the purposes of resource allocation and assessment of segment performance is based on the entity as a whole as there is no other distinguishable component of the entity that engages in business activities from which it earns revenues and incurs expenses whose operating results are regularly reviewed by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment information is presented in respect of the group's reportable segments. For Management purpose, the Group is organised into business units by geographical areas in which the group operates and the locations

location of the principal operations as follows:
Northern Nigeria, Southern Nigeria, Eastern Nigeria and Lagos

Segmental revenue and results

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

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Nigeria:						
Lagos	55,934,966	82,380,863	30,693,236	55,934,966	82,380,863	30,693,236
North	41,927,901	61,366,486	28,533,599	38,518,548	59,050,711	26,417,202
West	14,456,124	18,581,808	8,041,965	14,456,124	18,581,808	8,041,965
East	6,357,754	7,395,779	3,203,045	6,357,754	7,395,779	3,203,045
	118,676,745	**169,724,936**	**70,471,846**	**115,267,392**	**167,409,161**	**68,355,449**

Information about major customers

There is a single customer who buys industrial Non- Fortified Sugar that represents more than 10% of total sales during the year.

Large Corporate/Industrial Users

These are leading blue chip companies in Nigeria, and they include manufacturers of confectioneries and soft drinks. This group typically accounts for 30% of the company's sales. They buy Non-Fortified sugar exclusively.

5 Segmental information (continued)

Distributors

The company sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers. It also sells to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Company sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g, and 1kg under the brand name "Dangote Sugar". Sales to Distributors account for 70% of the company's revenue.

The Company provides a delivery service to customers by transporting refined sugar to other destinations. Freight income represents revenue earned in this respect during the year. The associated cost of providing this service is included in cost of sales.

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
6 Cost of sales						
Raw material	76,324,644	126,495,000	47,554,221	74,973,441	124,665,981	46,942,091
Direct labour cost	1,926,152	3,262,803	1,440,842	1,178,151	2,200,958	912,497
Direct overheads	9,374,682	9,778,450	4,454,806	9,115,402	9,177,283	3,841,549
Other overheads	267,427	434,756	124,656	4,187	415,080	9,645
Depreciation	1,621,323	4,049,105	1,130,321	935,730	2,740,567	704,561
Freight expenses	2,252,511	2,726,241	1,840,548	2,252,511	2,725,018	1,848,549
	91,796,741	146,736,355	56,553,393	88,459,432	141,924,887	54,258,894

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
7 Selling and Distribution expenses						
Selling and marketing expenses	406,907	909,196	483,220	392,399	899,530	473,005
Carriage	4,240	363,328	5,013	4,240	360,416	5,013
	411,147	1,272,524	488,233	396,639	1,259,946	478,018

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
7 Administrative expenses						
Management and royalty fees	1,002,772	938,237	359,926	1,002,772	938,237	359,926
Assessment rates and municipal charges	3,250	17,350		3,250	16,827	
Auditors remuneration	34,000	57,920	28,528	28,000	42,000	22,528
Bad debts	-	15,511		-	-	
Cleaning	29,993	60,997	30,638	29,993	60,973	26,541
Consulting and professional fees	79,367	155,660	53,862	59,734	145,429	44,097
Consumables	15,518	26,984		15,518	23,734	
Depreciation, Ammortisation and impairments	171,507	705,430	349,402	112,966	502,325	291,798
Donations, scholarship and subscription	23,576	65,147	49,323	23,576	64,147	46,401
Employee costs	773,403	1,987,619	806,860	525,083	1,446,554	551,862
Entertainment	17,137	24,168	58,808	17,137	22,466	58,808
IT Expenses	-	3,393	35,751	-	1,307	9,384
Insurance	203,946	131,152	55,182	168,266	64,776	21,331
Rental-office/Residential accommodation	30,822	98,170	35,520	29,936	97,922	34,749
Magazines, books and periodicals	11,169	85,364	1,021	11,169	73,534	1,021
Utilities	30,786	18,247	78,459	6,053	17,550	67,220
Petrol and oil	17,607	39,083	15,146	17,607	47,691	15,146
Printing and stationery	2,970	110	23,126	-	110	23,126
Loss on exchange difference	0	44,170	36,075	-	44,170	36,075
Loss on asset sale	-	40,374		-	40,374	
Repairs and mintenance	183,825	112,153	26,206	87,408	72,355	26,206
Secretarial fees	41,435	48,202		41,435	48,502	
Security expense	69,385	137,903	47,283	47,982	94,376	28,828
Software expenses	-	7,224		-	-	
Staff welfare	20,941	32,792		20,941	22,257	
Subscriptions	4,330	41,705		3,315	40,118	
Telephone and fax	18,771	100,807	559	18,771	69,904	559
Training	13,302	15,044	2,457	13,302	13,736	2,457
Travel-local	125,170	90,609	166,671	68,831	20,995	152,531
Travel-overseas	148,899	349,294		148,899	337,200	
	-	-		-	-	-
	2,993,722	5,407,589	2,260,803	2,499,325	4,369,569	1,820,994
	493,797					

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
8 Investment income						
Interest income on bank deposits	1,658,020	601,473	126,382	1,658,020	601,473	126,382
	1,658,020	601,473	126,382	1,658,020	601,473	126,382

Interest is earned on bank deposits at an average rate of 12.5 % p.a. on short term (30days) bank deposits.

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
9 Fair Value adjustments						
Biological assets Fair value model	283,020	2,504,787	(7,533)	-		-

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	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
10 Finance costs						
Group companies	-	76,918	76,918	-	76,918	76,918
Bank charges	273,125	249,289	172,373	183,371	246,577	120,734
Interest on overdraft	28,332			28,332		
Interest on bank loan	-	222,102	-	-	35,657	-
	301,457	548,309	249,291	211,703	359,152	197,652

The finance cost to Group companies relate to interest paid on loan from Dangote Industries Limited totalling N2.5 billion (2015) while loan interest include interest on loans from banks.

11 Other income

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Insurance claim income	44,628	48,755	-	43,588	23,759	-
Sale of scrap	10,442		67,252	9,891		67,252
Gratuity provisions no longer required	-	0		-	-	
Provision no longer required	-	505,002	-		492,082	-
Electricity supply to sister companies	-	-		-	-	-
Haulage income	26,305			26,305		
Rental income	39,972	118,104	-	33,750	88,930	-
Equipment hire to third parties	540	17,885			-	-
Miscellaneous income	6,004	58,269	49,355	4,544	57,673	-
	127,891	748,015	116,607	118,078	662,444	67,252

12 **Taxation**

12.1 **Major components of the tax expense**

	N'000	N'000	N'000	N'000	N'000	N'000
Current Tax						
Income tax based on profit for the year	7,303,628	5,545,871	3,538,179	7,303,628	5,545,871	3,538,179
Education tax expense	486,909	483,798	235,879	486,909	483,798	235,879
	7,790,536	6,029,669	3,774,057	7,790,536	6,029,669	3,774,057
Deferred tax						
Deferred tax (income)/expense	-	(811,173)	-	-	531,162	-
	7,790,536	5,218,496	3,774,057	7,790,536	6,560,831	3,774,057

The tax rates used in the above comparative figures are the corporate tax rate of 30% payable by corporate entities in Nigeria. Education tax rate of 2% is also payable.

12.2 Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	GROUP 30/6/2017	GROUP 31/12/2016	GROUP 30/6/2016	COMPANY 30/6/2017	COMPANY 31/12/2016	COMPANY 30/6/2016
Accounting Profit before tax	24,123,146	19,614,434	11,155,582	24,345,426	20,759,524	11,793,928
Income tax expense calculated at 30 %	7,303,628	5,884,330	3,538,179	7,303,628	6,227,857	3,538,179
Education tax expense calculated at 2%	486,909	483,798	235,879	486,909	483,798	235,879
Effect of investment allowance not recognised in accounting	-	(164,087)	-	-	(164,087)	
Deferred Education tax		(4,405)			(4,095)	
Fines and penalties		8,343			8,308	
Donations		2,819			2,519	
Capital expenses and repayment		204				
other tax expense		157				
Fair value gain on biological assets and agricultural products		(751,436)				
Adjustment for prior years FA additions on which capital allowances now taken	-	(1,467,137)		-		-
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	-		-		
Adjustments recognised in the current year in relation to the current tax of prior years	-	1,225,910	-	-	6,531	-
Minimum tax of subsidiary	-		-	-		-
Income tax expense recognised in profit or loss	7,790,536	5,218,496	3,774,057	7,790,536	6,560,831	3,774,057

12.3 Current tax liabilities in the statement of financial position

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
At January 1	6,600,053	5,542,475	5,542,475	6,567,952	5,510,374	5,510,374
Charge for the year	7,790,536	6,029,669	3,774,057	7,790,536	6,029,669	3,774,057
payment made during the year	(2,332,421)	(4,972,091)	(2,682,668)	(2,332,421)	(4,972,091)	(2,682,668)
Balance end of the period	**12,058,168**	**6,600,053**	**6,633,864**	**12,026,068**	**6,567,952**	**6,601,762**

13 Deferred tax balances

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement. However, this was not offset in the statement of financial position as follows:

Deferred tax asses	10,103,855	10,103,855	2,967,532	342,069	342,069	-
Deferred tax liability	(11,475,269)	(11,475,269)	(5,150,119)	(5,641,549)	(5,641,549)	(4,768,318)

Recognition of deferred asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

* the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profit arising from the reversal of existing taxable tempory differences; and
* the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates

Deferred tax reconciliation	**Opening balance** N'000	**Movements recognised** N'000	**Recognised directly in equity** N'000	**Closing balance** N'000
Group as at December 31, 2016				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(5,461,758)	(2,331,685)	-	(7,793,443)
Property, plant and equipment @ 10%	(503,971)	382,093	-	(121,878)
Exchange difference	757,241	(757,446)	-	(205)
Provisions	4,617	818,252	-	822,869
Unrelieved losses @ 30%	3,021,284	2,699,959	-	5,721,243
Capital gains tax on revaluation of land @ 10%	-		-	-
	(2,182,587)	**811,173**	-	**(1,371,414)**

	Opening balance N'000	**Movements recognised** N'000	**Recognised directly in equity** N'000	**Closing balance** N'000
Company as at December 31, 2016				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(4,929,542)	(589,924)	-	(5,519,466)
Property, plant and equipment @ 10%	(122,170)	292	-	(121,878)
Exchange difference	19,994	(20,199)	-	(205)
Provisions	263,400	78,669	-	342,069
Unrelieved losses @ 30%	-	-	-	-
Capital gains tax on revaluation of land @ 10%	-	-	-	-
	(4,768,318)	**(531,162)**	-	**(5,299,480)**

14 Operating profit

Profit for the Period is arrived at after charging/(crediting):

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Impairment of property, plant and equipment			-			-
Depreciation of property, plant and equipment	2,109,917	4,659,996	1,604,011	1,667,187	3,149,141	1,604,011
Loss on sale of property, plant and equipment	-	(40,374)		-	(40,374)	
Write back/ impairment loss recognised on trade receivables	-	-		-	-	
Impairment loss recognised on other receivables	-	-		-	-	
Gratuity provisions no longer required	-	-		-	-	
Defined contribution plans	-	-		-	-	
Defined Benefit plan	-	-		-	-	
service and finance costs	-	-		-	-	
Auditors remuneration	-	52,920		-	42,000	
Amortisation of intangible assets	6,252	123,818	61,908	6,252	93,751	46,875

15 Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by the parent by weighted average number of ordinary shares outstanding during the year.

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

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Profit for the year	16,332,610	14,395,938	7,381,525	16,554,890	14,198,693	8,019,871
Earnings used in the calculation of basic earnings per share from continuing operations	16,332,610	14,395,938	7,381,525	16,554,890	14,198,693	8,019,871
Weighted average number of ordinary shares for the purpose of basic earnings per share	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Basic earnings per share from continuing operations (Kobo per share)	272	120	123	276	118	134

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15. Property, Plant and Equipment

Company	Land &Buildings	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance, 1/1/2016	8,376,512	16,484,406	97,498	7,780,287	129,029	899,828	698,034	8,569,419	43,035,013
Additions during the year	142,914	1,900,172	10,815	61,584	13,746	-	742,039	229,994	3,101,264
Disposal	-	-	-	(625,858)	-	-	-	(82,171)	(708,029)
Reclassification	1,065,217.00	2,723,608	-	-	-	-	90,000	(3,878,825)	-
Balance, 31/12/2016	9,584,643	21,108,186	108,313	7,216,013	142,775	899,828	1,530,073	4,838,417	45,428,248
Additions during the period	-	158,449	3,148	26,824	4,219	-	70,118	3,877,275	4,140,032
Re-classifications	-		-	-	-	-	-		-
Transferred	-	-	-		-	-	-	-	-
Disposal	-	-	-		-	-	-	-	-
Balance, 30/6/2017	9,584,643	21,266,635	111,461	7,242,837	146,994	899,828	1,600,191	8,715,692	49,568,280
ACCUMULATED DEPRECIATION AND IMPAIRMENT:									
Balance, 1/1/2016	1,010,161	7,295,020	55,706	4,148,959	62,685	74,945	316,827	0	12,964,303
Charge for the year	139,136	1,216,959	14,042	1,477,126	37,695	35,993	228,190	-	3,149,141
Disposal	-	-	-	(277,021)	-	-	-	-	(277,021)
Impairment	-	-	-	-	-	-	-	-	-
Balance, 31/12/2016	1,149,297	8,511,979	69,748	5,349,064	100,380	110,938	545,017	-	15,836,423
Charge for the year	77,542	720,490	17,997	664,485	18,639	7,488	160,546	-	1,667,187
Disposal	-	-	-		-	-	-	-	-
Balance, 30/6/2017	1,226,839	9,232,469	87,745	6,013,549	119,019	118,426	705,563	-	17,503,610
NET BOOK VALUE:									
Balance, 31/12/2016	8,435,346	12,596,207	38,565	1,866,949	42,395	788,890	985,056	4,838,417	29,591,825
Balance, 30/6/2017	8,357,804	12,034,166	23,716	1,229,288	27,975	781,402	894,628	8,715,692	32,064,670

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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15a Property, Plant and Equipment

GROUP	Bearer Plant	Freehold Land & Buildings	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work in Progress	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COST:										
Balance, 1/1/2016	1,412,790	17,286,856	23,312,270	264,949	14,685,649	163,087	899,828	3,027,206	13,632,698	74,685,333
Additions during the year	974,361	147,181	2,366,806	20,624	98,425	16,226		863,036	398,872	4,885,531
Disposal	-	-	-		(841,369)	-	-	-	(92,171)	(723,540)
Transfered					13,235				(13,235)	-
Reclassification	-	1,065,217	2,723,607	-	-	-	-	90,000	(4,651,839)	(803,018)
Impairment	-	-	-	-	-	-	-	-	-	-
Balance, 31/12/2016	2,387,151	18,499,254	28,402,683	285,573	14,155,940	179,313	899,828	3,980,242	9,254,325	78,044,309
Savannah -New acquisitions	315,129	-	6,866	3,950	-	2,291	-	520	85,805	414,561
Additions during the year	-	-	156,449	3,148	26,824	4,219	-	70,118	2,320,188	2,582,945
Re-classifications										-
Transfered										-
Disposal										-
Balance, 30/6/2017	2,702,280	18,499,254	28,565,998	292,671	14,182,764	185,823	899,828	4,050,880	11,661,318	81,041,815

GROUP	Bearer Plant	Freehold Land & Buildings	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work in Progress	TOTAL
ACCUMULATED DEPRECIATION AND IMPAIRMENT:										
Balance, 1/1/2016	253,547	1,815,283	8,058,546	105,262	5,446,516	79,206	74,944	2,892,686	-	18,726,289
Effect of acquisition of Savannah	-	-	-	-	-	-	-	-	-	-
Charge for the year	400,215	257,551	1,728,517	41,656	1,833,677	48,852	35,994	313,334	-	4,659,996
Disposal	-	-	-	-	(277,021)	-	-	-	-	(277,021)
Adjustment	-	-	-	-	132,441	-	-	-	-	132,441
Balance, 31/12/2016	653,762	2,072,834	9,787,063	146,918	7,136,112	128,058	110,938	3,206,020	-	23,241,705
Reclassified	-	-	-	-	-	-	-	-	-	-
Savannah - charge for the year	804,020	89,247	265,511	14,164	246,150	5,106		29,880		1,424,077
Charge for the year	0	77,642	720,490	14,042	1,483,863	15,639	35,993	160,646	-	2,511,115
Depreciation overcharge/undercharge	545,935.00	(1,367,310.54)	41,670.02	30,613.66	(449,220.41)	(11.00)	(28,505.37)	(698,246.00)	-	(1,825,275)
Balance, 30/6/2017	2,003,717	842,312	10,814,634	205,738	8,416,904	151,691	118,426	2,798,200	-	25,351,622
NET BOOK VALUE:										
Balance, 31/12/2016	1,733,389	16,426,420	18,615,620	138,655	7,019,828	51,255	788,890	774,222	9,254,325	54,802,604
Balance, 30/6/2017	698,563	17,656,942	17,752,364	86,933	5,765,860	34,132	781,402	1,252,680	11,661,318	55,690,193

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
17 Intangible assets						
Computer software						
Cost at the end of the period	289,840	379,590	379,590	289,390	289,390	289,390
Accumulated depreciation at the end	282,888	366,837	304,928	282,888	276,637	229,761
Carrying amount at the end of the period	6,952	12,753	74,662	6,502	12,753	59,629
18 Biological assets						
Cost						
carrying value at the beginning of the period	3,008,277	1,885,779	3,437,710	-	-	-
(usage)/addition	(752,651)	(1,382,289)	(1,700,561)	-	-	-
fair value adjustment	283,920	2,504,787	(7,533)	-	-	-
Carrying value at the end of the period	2,539,547	3,008,277	1,729,616	-	-	-
Current	2,539,547	3,008,277	1,729,617	-	-	-
Non-current					-	-
	2,539,547	3,008,277	1,729,617	-	-	-

Description of biological assets and activities
Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce intended for production of sugar. The biological assets have been measured at fair value.

Basis for measurement of fair value
The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category.
Growing cane were valued using the cost (replacement cost) and income approach respectively.

Nature and carrying amounts of biological assets whose title is restricted
The Company currently does not have biological assets with restricted titles.

Biological assets pledged as security for liabilities
The Company has not pledged any biological asset as security for any liability as at this date.

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
19 Other assets						
Prepaid rent	173,222	199,143	204,084	173,222	199,143	204,084
Prepaid insurance	25,187	27,136	70,254	25,187	26,442	70,254
Prepaid housing	248,052	-	-	248,052	-	-
Advance payment to vendors	-	665,759	-	-		
Other financial assets (19.1)	29,910,123	8,409,240	-	29,910,123	8,409,240	-
Prepaid incme NPA	-	124,945	-	-	124,945	-
Others	544,315	53	43,596	-	53	11,903
	30,900,900	9,426,276	317,933	30,356,585	8,759,823	286,240
Current	30,344,197	9,426,223	273,852	30,344,197	8,759,770	273,852
Non-current portion	556,703	53	44,081	12,388	53	12,388
	30,900,900	9,426,276	317,933	30,356,585	8,759,823	286,240

19.1 Other financial asset is in respect of the deposit for foreign currency forward contracts.

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
20 Assets/investment held for sale	864,647	864,647	864,647	864,647	864,647	864,647

21 Investments in subsidiary
The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company		Carrying amount		
Name of Company	**Held by**	**June 2017**	**December 2016**	**June 2016**
		N'000	**N'000**	**N'000**
Savannah Sugar Company Limited	Dangote Sugar Refinery Plc	3,214,923	3,214,923	3,214,923

The Company owns 95% shareholding in Savannah Sugar Company Limited. The principal activities of Savannah Sugar Company Limited are planting of sugar cane, processing, packaging and selling of refined sugar and molasses and registered address is Km 81, Yola Gombe Road (near Numan) Adamawa State.
There are no significant restrictions on the use of the subsidiary assets.

Dangote Sugar Refinery Plc provides financial support to Savannah Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

22 Inventories	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Raw materials	22,348,389	26,324,058	9,806,159	22,348,389	26,100,094	9,806,159
Work-in-process	756,379	672,216	256,589	756,379	861,743	256,589
Finished goods	13,842,262	13,410,984	550,549	11,759,211	13,010,720	894,893
Production supplies	6,072,678	6,428,013	4,561,671	3,582,335	5,009,326	2,838,073
Chemicals and consumables	1,977,321	1,189,832	257,594	1,600,813	681,010	-
Packaging materials	246,638	221,087	142,792	204,716	186,082	128,914
	45,243,667	48,246,180	15,575,354	40,251,843	45,848,975	13,924,625
Allowance for obsolete inventory	(837,138)	(837,138)	(837,138)	-	-	-
	44,406,529	47,409,042	15,138,215	40,251,843	45,848,975	13,924,625

22.1 **No inventory was pledged as security for any liability.**

23 Trade and other receivables	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Trade receivables	5,589,558	8,711,389	1,019,296	5,589,558	8,700,614	1,019,259
Allowance for doubtful debts	(270,656)	(270,656)	(202,921)	(253,434)	(253,434)	(185,699)
	5,318,902	**8,440,733**	**816,374**	**5,336,124**	**8,447,180**	**833,560**
Staff loans and advances	256,770	283,994	560,462	238,509	266,740	540,653
Advance payment to contractors	3,754,660		299,051	2,736,574		
VAT Receivable	534,457	1,135,096	894,826	534,457	1,135,096	858,604
Insurance claim receivable	415,570	448,760	448,760	415,570	448,760	448,760
Negotiable Duty Credit Certificates (Note 23.1)	805,683	805,683	805,683	805,683	805,683	805,683
Other receivables	506,381	294,349	144,436	387,814	189,964	112,324
Allowance for impaired other receivables	(198,662)	(198,662)	(80,095)	(80,095)	(80,095)	(80,095)
Amount due from related parties -35	13,844,034	6,523,934	6,898,303	49,411,854	43,415,583	41,571,151
	25,237,795	**17,733,887**	**10,788,800**	**59,786,491**	**54,628,911**	**45,090,640**

The average credit period on sales of goods is 30 days. Allowances for doubtful debts are recognised against trade receivables outstanding beyond 365 days based on estimated irrecoverable amounts. Previous experience has shown that receivables that are past due after 365 days are doubtful of recovery. Allowances for doubtful debts are recognised against trade receivables due over 180 days and below 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of their current position.

Before accepting any new customer to buy on credit, the customer must have purchased goods on cash basis for a minimum period of six months in order to test the financial capability of the customer. Based on good credit rating by the credit committee of the company, the customer may be allowed to migrate to credit purchases after the presentation of an acceptable bank guarantee which must be valid for one year.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due more than 30 days as at the reporting date for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

23.1 Negotiable duty credit certificate

The Company has received certificates for N805.7 million termed as Negotiable Duty Credit Certificate (NDCC). The NDCC is an instrument of the government for settling of the EEG receivable. The NDCC is used for the payment of Import and Excise duties in lieu of cash. For more than one year, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

Though, a significant component of the NDDC and EEG receivable have been outstanding for more than one year no impairment charge has been recognised by the Company in the current year because they are regarded as sovereign debt since it is owed by the government. Moreover, Government has not communicated or indicated unwillingness to honour the obligations. On the contrary, government has earmarked up to N20billion in the 2017 budget to be used to settle outstanding grants and has also announced a resumption of the scheme in 2017. Thus, the outstanding balances are classified as current assets accordingly.

23 Trade and other receivables (continued)

Age analysis of trade receivables that are past due but not impaired

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

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
30-60 days	-	673,015	-	-	673,015	-
61-90 days	-	48,063	-	-	48,063	-
91-180 days	-	64,141	-	-	70,586	-
	-	785,219	-	-	791,664	-

Reconciliation of provision for impairment of trade and other receivables

Above 365 days	270,656	682,087	682,087	253,434	682,087	682,087

Allowance for credit losses	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Balance brought forward	270,656	682,087	682,087	253,434	682,087	682,087
Impairment losses recognised on receivabl	-	85,017	-	-	67,795	-
Effect of acquisition under common conl	-	-	-	-	-	-
Amounts written off during the year	-	(496,448)	-	-	(496,448)	
Additional provision made during the ye	-		-	-		-
Amounts recovered during the year		-	-	-	-	-
	270,656	270,656	682,087	253,434	253,434	682,087

Concentration risk

About 32% of the trade receivables are due from a single customer. The Company evaluates the concentration of risk with respect to trade receivables as low, as the concentration is with a well- established local blue chip company. Its customers otherwise are diverse including both corporate entities and a large number of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

23 **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short term deposits with 30 days tenure. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Cash in hand	15,266	14,625	13,890	15,116	14,475	13,740
Bank balances	12,446,280	10,605,674	8,122,279	11,991,340	8,457,647	7,325,745
Short term deposits	20,950,000	24,400,000	16,210,355.00	20,950,000	24,400,000	16,210,355.00
	33,411,547	35,020,299	24,346,523	32,956,457	32,872,122	23,549,839

25 Share capital and Premium

The balance in the share capital account was as follows:	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Authorised: 12,000,000,000 Ordinary shares of 50k each	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**
Allotted, called up issued and fully paid:						
12,000,000,000 Ordinary shares of 50k each	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**
Share premium						
Authorised: 12,000,000,000 ordinary shares of 50k each issued at 52.67k premium	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**

Share premium represents the excess of the shareholders' value over the nominal share capital at the point of the commencement of operations in January 2006.

26 Retained earnings	GROUP 30/6/2017 N'000 N'000	GROUP 31/12/2016 N'000 N'000	GROUP 30/6/2016 N'000 N'000	COMPANY 30/6/2017 N'000 N'000	COMPANY 31/12/2016 N'000 N'000	COMPANY 30/6/2016 N'000 N'000
Balance at January 1	54,092,393	45,706,317	46,079,375	62,264,226	54,065,533	54,065,533
Profit for the year	16,343,724	14,386,076	7,413,442	16,554,890	14,198,693	8,019,871
Payment of dividend	(7,200,000)	(6,000,000)	(6,000,000)	(7,200,000)	(6,000,000)	(6,000,000)
	63,236,117	**54,092,393**	**47,492,818**	**71,619,116**	**62,264,226**	**56,085,404**

27 Non controling interest-Bal b/f	(260,887)	(270,749)	(270,749)	-	-	-
Non controling interest-Share of loss	(11,113.99)	9,862	(31,917)	-	-	-
Effect of balance restatement	-	-	19,632			
Total non controling interest	**(272,001)**	**(260,887)**	**(283,034)**	-	-	-

28 Borrowings						
Held at amortised cost						
Bank overdraft	34,478	36,393	-	-	-	-
Bank loan	2,000,000	2,000,000	-	-	-	-
Related party loan	-	-	-	-	-	-
	2,034,478	2,036,393	-	-	-	-
Current liabilities			-	-	-	-
At amortised cost	2,034,478	2,036,393	-	-	-	-
	-	-	-	-	-	-
Movement of borrowings	-	-	-	-	-	-
Balance brought forward	2,036,393	2,500,000	-	-	-	-
Additions	-	2,036,393	-	-	-	-
Payments	(1,915)	(2,500,000)	-	-	-	-
	2,034,478	2,036,393	-	-	-	-

on 5 June 2015, the company received a loan of N2.5 Billion from a related party, Dangote Industries Limited for short term working capacity purpose over a period of 90 days which is renewable at the interest rate of 13.5%. The loan is repayable in full at the end of the tenor plus interest on maturity. The loan is not secured by assets of the company.

in 2016, the Group received a 10-year loan of N2 Billion from Zenith Bank Plc, with two years moratorium on principal, at an interest of 9% pa payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.

29 Retirement benefit

Defined benefit plan

The Group operated a defined benefit plan for all qualifying employees up till 30 September 2013. Under the plan, the employees were entitled to retirement benefits which vary according to length of service. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand. The amounts stated in the financial statement as at 2013 are based on actuarial valuation carried out in 2013.For the purpose of comparison the present value of the defined benefit obligation, and the related current service cost and past service cost stated in the books up till 30 September 2013 was measured using the Project Unit Credit Method

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Project Unit Credit Method

The most recent Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013

In calculating the liabilities, the consultant took the following into recognition:

** length of service rendered by each member of staff at the review date

** discounting of the expected benefit payments.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

29 Retirement benefit (continued)

Movement in gratuity	**GROUP 30/6/2017 N'000**	**GROUP 31/12/2016 N'000**	**GROUP 30/6/2016 N'000**	**COMPANY 30/6/2017 N'000**	**COMPANY 31/12/2016 N'000**	**COMPANY 30/6/2016 N'000**
Balance as at 1 January	1,031,024	1,079,067	1,079,067	815,532	863,575	863,575
Current service charge	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Gratuity provision no longer required	-	-		-	-	
Actuarial losses - change in assumption	-	-	-	-	-	-
Actuarial losses - expereince	-	-	-	-	-	-
Benefits paid from plan	(2,598)	(48,043)	(43,396)	(2,598)	(48,043)	(43,396)
Curtailments Gains/Losses	-	-	-	-	-	-
	1,028,426	**1,031,024**	**1,035,671**	**812,934**	**815,532**	**820,179**

Defined contribution plan

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees contribute 8 % of their gross salary (basic, housing and transport) while the Group contributes 10 % on behalf of the employees to the same plan.

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
30 Trade and other payables						
Trade payables	50,059,165	53,951,090	8,541,936	49,707,107	52,938,508	7,180,348
Accrual for raw materials	-	12,948,215	-	-	12,662,547	-
Accruals & sundry creditors	27,404,690	6,821,490	16,038,891	25,260,737	6,804,485	15,336,588
Other credit balances	12,249,280	6,137,082	3,912,618	12,249,280	5,915,024	3,912,618
Due to related parties (Note 35)	9,612,773	8,420,520	8,537,946	8,251,788	7,200,879	7,294,307
	99,325,908	**88,278,397**	**37,031,391**	**95,468,912**	**85,521,443**	**33,723,861**

The average credit period on purchases of goods from suppliers is 90days. No interest is charged on the trade payables.

31 Other Liabilities

Advance payment for goods	824,711	2,808,474	2,298,234	824,711	2,804,822	2,298,234

32 Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is made up of equity comprising issued capital, share premium and retained earnings.
The Group is not subject to any externally imposed capital requirements..

The Group's risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratio at 2017 and 2016

	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Total borrowings						
Borrowings	2,034,478	2,036,393	-	-	-	-
Less: Cash and cash equivalent	33,411,547	35,020,299	24,346,523	32,956,457	32,872,122	23,549,839
	(31,377,069)	(32,983,906)	(24,346,523)	(32,956,457)	(32,872,122)	(23,549,839)
Total Equity	75,284,640	66,152,030	59,530,307	83,939,640	74,584,750	68,405,929

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the board
Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units.
The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity

32 Risk management (continued)

Liquidity risk management

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, our allocation of letters of credit on raw sugar and spares/chemicals are spread over dedicated banks. Therefore, the establishment of these Letters of Credit which are commitments by the banks provide security to our funds placed on deposit accounts. In other words our funds placed are substantially tied to our obligations on raw sugar and spares.

Group

At June 30, 2017	Less than one year	More than one year	Total
Borrowings	2,034,478	-	2,034,478.00
Trade and other payables	100,456,272	-	100,456,272

At June 30, 2016	Less than one year	More than one year	Total
Borrowings	-	-	-
Trade and other payables	37,031,391	-	37,031,391

At June 30, 2017	Less than one year	More than one year	Total
Borrowings	-	-	-
Trade and other payables	96,599,276	-	96,599,276

At June 30, 2016	Less than one year	More than one year	Total
Borrowings	-	-	-
Trade and other payables	33,723,861	-	33,723,861

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Interest rate risk management

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 Group is exposed to fluctuations in interest rates on its borrowings. The Group pays fixed/floating rate interest on its borrowings
The company actively monitors interest rate exposures on its investment portfolio and borrowings so as to minimise the effect of interest rate fluctuations on the income statement.
The risk on borrowings is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. All loans, cash and cash equivalent are fixed interest based and therefore the company does not have any exposure to the risk of changes in Market rates

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for Related party loan at the prevailing market interest rate of 13.5% at the end of the reporting period. A 250 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. A 250 basis points reflects a N50million impact on finance cost.
A positive number below indicates an increase in profit or equity for a 250 basis points change in the Finance cost .A negative number below indicates a decrease in profit or equity for a 250 basis points change in the Finance cost.

32 Risk management (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its investing activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial institutions. The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

Concentration of risk

About 32% of the trade receivables are due from a single customer whose credit history is good. The Group 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 analysed at each reporting date on an individual basis for corporate and individual customers.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with its corporate treasury policy that spells out counterparty limits,lists of financial institutions that the Group 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 counterparty. Counterparty credit limits are are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

Maximum exposure to credit risks

The carrying value of the Group's financial assets represents its maximum exposure to credit risk.
The maximum exposure to credit risk at the reporting date was:

Financial instrument	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Trade receivables	5,318,902	8,440,733	816,374	5,336,124	8,447,180	833,560
Other receivables	6,074,860	2,769,220	3,073,123	5,038,513	2,766,148	2,685,929
Amount due from related party	13,844,034	6,523,934	6,899,303	49,411,854	43,415,583	41,571,151
	25,237,796	17,733,887	10,788,800	59,786,491	54,628,911	45,090,640

32 Risk management (continued)

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is limited to foreign currency purchases of operating materials (e.g. finished equipment and other inventory items) and trade receivables that are denominated in foreign currencies. Foreign exchange exposure is monitored by the Group's treasury unit.

The Naira carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

The group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

This represents advance payment by customers for finished goods.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Assets	Loans and receivables N'000	Loans and receivables N'000	Loans and receivables N'000	Loans and receivables N'000	Loans and receivables N'000	Loans and receivables N'000
Trade and other receivables	25,237,795	17,733,887	10,788,800	59,786,491	54,628,911	45,090,640
Cash and cash equivalents	33,411,547	35,020,299	24,346,523	32,956,457	32,872,122	23,549,839
	58,649,342	52,754,186	35,135,323	92,742,948	87,501,033	68,640,479

34 Financial liabilities by category

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Liabilities						
Borrowings	2,034,478	2,036,393	-	-	-	-
Trade and other payables	100,456,272	88,278,397	37,031,391	96,599,276	85,521,443	33,723,861
	102,490,750	90,314,790	37,031,391	96,599,276	85,521,443	33,723,861

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2017 (Cont'd)

35 Related party information

35.1 Related parties and Nature of transactions

Dangote Transport Limited services.	Fellow subsidiary company that provided haulage services prior to 2010
Dangote Textile Industries Limited	Fellow subsidiary company that exchanges inventory of Automotive gas oil(AGO)and low pour fuel oil (LPFO)
Dansa Foods Limited	An entity controlled by key management personnel of the Company that has trading relationship with the Company.
NASCON Allied Industries PLC	Fellow subsidiary from which the Company purchases raw salt as input in the production process
Dangote Nigeria Clearing Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Savannah Sugar Nigeria Company Limited	Subsidiary- Exchange of spare parts
Dangote Industries Limited	Parent company that provides management support and receives 2% of turnover as management fees
Green view Development Company Limited	Fellow subsidiary - Property rentals.
Dangote Nigeria Clearing Limited	Fellow subsidiary - clearing services
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Flour Mills Plc	Fellow subsidiary -Supplies of power
Dangote Pasta Limited	Fellow subsidiary -Exchange of AGO LPFO
Dangote Noodles Limited	Fellow subsidiary- Exchange of AGO LPFO and sometimes buys sugar
Dangote Agrosacks sacks	Fellow subsidiary- Supplies empty for bagging of finished sugar

35 **Related party information (continued)**

35.1

Amount owed by related parties	GROUP 30/6/2017 N'000	GROUP 31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Bluestar Shipping Services	-	-	-	-	-	-
Dansa Foods Limited	33,997	302,743	11,038	33,997	302,743	11,038
Dangote Global services	1,359,388	1,417,464	1,137,435	1,359,388	1,417,464	1,137,435
Dangote Flour Mills Plc	1,018,773	810,351	475,580	1,018,773	810,351	475,580
Savannah Sugar Company Plc	-	-	-	35,568,420	36,801,649	35,456,609
DIL Strategic Supplies	-	-	7,095	-	-	7,095
Dangote Pasta Limited	56,153	56,153	56,153	56,153	56,153	56,153
Dangote Industries Limited	974,446	-	1,212,206	974,446	-	427,445
Dangote Noodles Limited	11,800	27,595	23,350	11,800	27,595	23,350
Dangote Group Transport Maintnce.	-	-	-	-	-	-
Nascon plc	13,478	-	60,130	13,478	-	60,130
Dangote Oil	6,589,846	-	-	6,589,846	-	-
DNL Transport	-	-	-	-	-	-
Dangote Nigeria Limited	-	-	-	-	-	-
Dangote Agrosacks	-	-	-	-	-	-
Dangote Greenview	810,088	981,764	866,765	810,088	981,764	866,765
Dangote fertiliser	1,229,573	1,229,573	1,229,573	1,229,573	1,229,573	1,229,573
Dancom Technologies Limited	-	-	-	-	-	-
Dangote Foundation	-	-	83,928	-	-	83,928
Dangote Port Operations	3	3	3	3	3	3
AG Dangote Construction	811,710	811,710	811,710	811,710	811,710	811,710
MHF Properties	3,036	4,957	-	3,036	4,957	-
Bluestar UK	-	-	4,719	-	-	4,719
Dangote Nigeria Clearing Limited	42,876	-	37,997	42,876	-	37,997
Dangote Cement Ghana	6,644	-	-	6,644	-	-
Dangote Cement	882,221	881,621	881,621	881,621	881,621	881,621
Impairment of related party receivables	-	-	-	-	-	-
	13,844,034	6,523,934	6,899,303	49,411,854	43,415,583	41,571,151

35.2

Amount owed to related parties	GROUP 30/6/2017 N'000	31/12/2016 N'000	GROUP 30/6/2016 N'000	COMPANY 30/6/2017 N'000	COMPANY 31/12/2016 N'000	COMPANY 30/6/2016 N'000
Dangote Cement Plc	8,680,408	7,091,828	6,962,590	7,486,011	5,958,119	5,806,620
Greenview Development Company	-	403,543	-	-	403,543	-
Dangote Agrosacks Nigeria Limited	391,152	128,527	314,999	334,239	128,387	314,669
Noodles	-	-	-	-	-	-
Dangote Flour	-	-	-	-	-	-
Bluestar Investments U.K	-	-	-	-	-	-
MHF	-	1,922	1,922	-	1,922	1,922
Kura Holdings	1,454	4,205	2,829	1,454	4,205	2,829
DIL Strategic Supplies	239,107	313,837	74,730	239,107	239,107	-
Bluestar Shipping Services	154,003	163,642	194,409	154,003	163,642	194,409
Obajana Transport	-	-	134,863	-	-	134,863
NASCON Allied Ind. PLC	560	14,196	-	-	13,636	-
Dancom Technologies Limited	30,892	34,991	36,091	5,598	24,489	24,175
Dangote Group Transport Maintenance	-	-	-	-	-	-
Dangote Nigeria Clearing Limited	31,235	5,145	31,235	30,542	5,145	30,542
Dangote Nigeria Limited	440			440		
Dangote port operation	-	-	-	-	-	-
Dangote Foundation	393	393	-	393	393	-
Dangote Industries Limited	83,128	258,291	784,278	-	258,291	784,278
	9,612,773	8,420,520	8,537,946	8,251,788	7,200,879	7,294,307

35 Related party information (continued)

35.3 Sales of goods to related parties were made at the company's usual market price without any discount to reflect the quantity of goods sold to related parties. Purchases were made at market price and there was no discount on all purchases.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Dangote Industries Limited (D.I.L) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and Royalty taking into cognizance certain principles

Royalty payment shall be made in addition to management fees payable from 1 Jan , 2015 at the rate of 0.5% of the total revenue.

Related party information

The amount due from the holding company represents current account balances loans to and from related parties

35.4 Loans to and from related parties

There are no related party loan as at June 30, 2017

35.5

LIST OF DIRECTORS OF DSR

1	ALH. ALIKO DANGOTE (GCON)	CHAIRMAN
2	ENGR. ABDULLAHI SULE	ACTING GROUP MANAGING DIRECTOR
3	ALH. SANI DANGOTE	BOARD MEMBER
4	MR. OLAKUNLE ALAKE	"
5	MR. UZOMA NWANKWO	"
6	MS. BENNEDIKTER MOLOKWU	"
7	DR. KONYINSOLA AJAYI (SAN)	"
8	ALH. ABDU DANTATA	"
9	MS MARYAM BASHIR	"

LIST OF KEY MANAGEMENT STAFF

1	ENGR. ABDULLAHI SULE	ACTING GROUP MANAGING DIRECTOR
2	MR. MAYROUD EL-SUNNI	ED - ENGINEERING & OPERATIONS
3	ENGR. BRAIMAH OGUNWALE	GENERAL MANAGER, REFINERY
5	MR. IDOWU ADENOPO	CHIEF INTERNAL AUDITOR
7	MR. MURTALA ZUBAIR	HEAD HR/ADMIN.
9	MR. ADE LAWAL	HEAD, RISK MANAGEMENT
6	MR. ETIM BASSEY	ACTING CHIEF FINANCIAL OFFICER
6	MR. ABDULSALAM WAYA	HEAD SALES, NORTH
8	MR. NSEOBOT EKPE	GENERAL MANAGER, SUPPLY CHAIN
10	MR. AHMAD T. MOHAMMAD	HEAD SALES, LAGOS & WEST

36 Employee costs

The following items are included within employee benefits expenses:

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
Direct employee costs	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Basic	806,889	1,688,224	782,135	362,245	1,197,456	337,492
Bonus	-	26,080	-	-	-	-
Medical claims	47,071	25,616	38,993	24,904	-	16,826
Leave allowance	53,976	97,265	9,676	48,475	70,302	4,175
Short term benefits	352,403	1,262,492	1,576	351,507	830,084	680
Other short term costs	337,781	10,589	232.00	337,650	6,350	100
Post-employment benefits-pension-defined		142537	96,755		96766	41750
contribution plan	108,376	-	-	53,371	-	
Termination benefits	-	-	-	-	-	-
	1,706,496	**3,252,803**	**929,367**	**1,178,153**	**2,200,958**	**401,023**

Indirect employee costs	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Basic	425,003	1,065,571	408,268	216,593	725,630	199,859
Bonus	-	209,378	-	-	200,571	-
Medical claims and allowance	12,873	19,848	4,694	10,477	14,960	2,298
NSITF and ITF levies	18,671	98,953	17,807	3,371	72,099	2,507
Short term benefits	190,927	423,636	4,890	188,431	304,456	2,394
Other short term costs	73,905	113,462	500	73,905	88,533	245
Post-employment benefits-pension-defined			51,208			25068
contribution plan	32,286	56,718	-	32,286	40,305	-
Termination benefits	-	53	-	-	-	-
	753,666	**1,987,619**	**487,367**	**525,064**	**1,446,554**	**232,371**

Total employee costs						
Direct employee cost	1,706,496	3,252,803	929,367	1,178,153	2,200,968	401,023
indirect employee cost	753,666	1,987,619	487,367	525,064	1,446,554	232,371
	2,460,162	**5,240,422**	**1,416,734**	**1,703,217**	**3,647,512**	**633,394**

37 Directors' emoluments

	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000	30/6/2017 N'000	31/12/2016 N'000	30/6/2016 N'000
Fees	24,500	16,500	16,500	24,500	16,500	16,500
salaries	-	60,000		-	60,000	
others	-	120,757		-	120,757	
	24,500	**197,257**	**16,500**	**24,500**	**197,257**	**16,500**

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There were no events after the reporting perod that could have had material effect on the financial statements of the Company as at June 30, 2017 that have not been taken into account in these financial statements.

39 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at June 30, 2017 (2016 NIL)

40 Approval of financial statements

The Board approved the financial statements during its meeting of July 27th, 2017