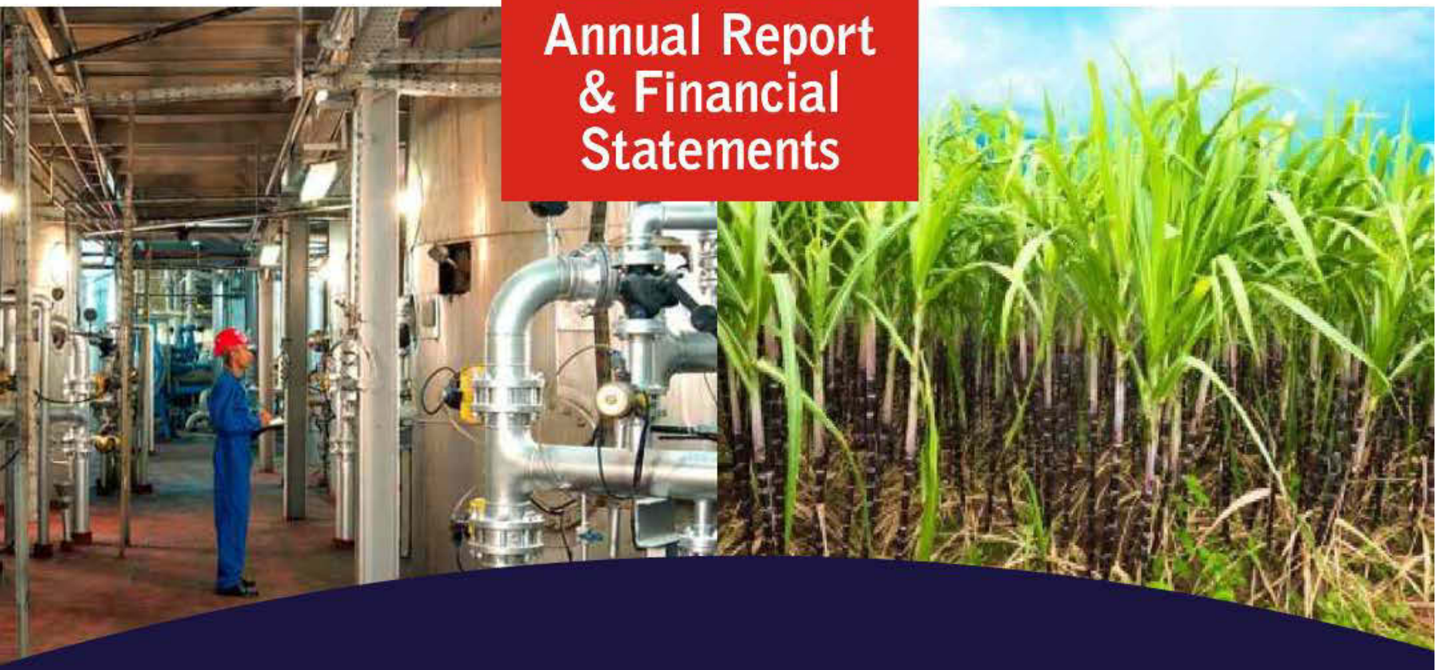
DANGOTE
SUGAR

2012
Annual Report & Financial Statements



Sugar Refining

OUR GOAL

To be among the leading integrated low cost sugar producers in the world by doubling production capacity, with strong domestic and regional African presence and increasingly international focus

QUALITY POLICY

Dangote Sugar Refinery Plc, is committed to producing quality refined granulated sugar using exceptional resources and processes based on world class standards that guarantee stakeholders' satisfaction.

CONTENTS

	2012 N'000	2011 N'000
PROFIT AND LOSS		
Turnover	106,868,054	107,218,642
Profit before taxation	16,331,679	10,921,229
Taxation	(5,535,263)	(3,517,632)
Profit after taxation	10,735,450	7,244,056
Interim dividend paid	-	-
Profit after taxation and dividend Transferred to revenue reserve	10,735,450	7,244,056
Proposed final dividend	6,000,000	3,600,000
BALANCE SHEET		
Share Capital	6,000,000	6,000,000
Shareholders' funds	46,269,159	39,133,709
Per 50 kobo share Data (kobo)		
Earnings	90	62
Dividend	0.50	0.30

The Directors recommend a cash dividend of 0.50 kobo for every one ordinary share of 50 kobo each held in the company, for the year ended December 31, 2012; subject to shareholders' approval at this Annual General Meeting.

- Dangote Sugar Refinery Plc. is the first indigenous sugar refinery in Nigeria. DSR commenced business in March 2000 as the sugar division of Dangote Industries Limited. In 2001 the sugar-refining factory at Apapa port was commissioned, with an initial installed capacity of 600,000 MT/PA.

- The refinery has undergone two expansions, which increased the production capacity to 1.44 million MT per annum, thus DSR became the Largest Sugar Refinery sub-Saharan Africa and the 2nd largest in the world.

- DSR's operations comprise two key business areas: Refining of raw sugar imported from Brazil and Marketing and Distribution of Dangote Vitamin A fortified refined white sugar for direct consumption, and unfortified sugar for industrial use.

- Dangote Vitamin A fortified refined granulated white sugar and the non-fortified industrial grade sugar are distributed within Nigeria and across Africa under the brand name "**DANGOTE SUGAR**". The vitamin A fortified sugar is packaged in 50kg, 1kg, 500 and 250 grams package; for direct consumption, while the non-fortified industrial grade sugar are distributed in 50kg bags.

DSR controls over 70% of the domestic market and have made inroads into other countries across Africa with export of our refined sugar since 2007, to Ghana, The Gambia and Sierra Leone; while prospecting other countries across Africa.

SAVANNAH SUGAR COMPANY LIMITED

Savannah Sugar Company Limited (the company) is a fully integrated sugar producing company located in Numan, Adamawa State. The company established by the Federal Government of Nigeria in 1975, was subsequently privatised in year 2001. Dangote Industries Limited emerged the preferred bidder, and ownership of the company was transferred to DIL in year 2003.

Following shareholders' approval at the Annual General Meeting held on May 17th 2012, Dangote Sugar Refinery Plc acquired 2,143,281,975 ordinary shares of N1.00 each in Savannah Sugar Company Limited in December 2012. This represents 95.0% of the total issued ordinary share capital of the company.

DSR's acquisition of Savannah Sugar is in line with its backward integration initiative, aimed at sustaining Dangote Sugar's leadership position in the Nigerian Sugar Industry.

Savannah sugar has a 50,000MT per annum sugar refining capacity, with a daily sugar cane crushing capacity of 4000MT.

OUR PRODUCT(S)

VITAMIN A FORTIFIED SUGAR

Dangote Vitamin A fortified sugar is a fine white granulated sugar, refined to the highest quality and dissolves easily. This all-purpose white sugar which is ideal for table use, baking, sweetening of beverages etc; are sold in 50kg, 1kg, 500grams and 250grams packages.

UNFORTIFIED INDUSTRIAL SUGAR

Dangote unfortified sugar, sold in 50kg package, is a specially processed sugar grade used by pharmaceuticals, food and beverage manufacturing companies etc. Dangote sugar is a household name amongst manufacturers for the production of high quality sugar that helps them deliver good products with the desired sweetness, to their market.

BOARD OF DIRECTORS

Alhaji Aliko Dangote (GCON)	-	Chairman
Engr. Abdullahi Sule	-	Managing Director
Alhaji Sani Dangote	-	Director
Mr. Olakunle Alake	-	Director
Ms. Bennedikter Molokwu	-	Director
Dr. Konyinsola Ajayi (SAN)	-	Director
Mr. Uzoma Nwankwo	-	Director
Alhaji Abdu Dantata	-	Director
Mr. Suleiman Olarinde	-	Director

COMPANY SECRETARY/LEGAL ADVISER

Chioma Madubuko (Mrs)

REGISTERED OFFICE:

3rd Floor, GDNL Building
Terminal E Shed 20
NPA Wharf Port Complex
Apapa
Lagos

FACTORY

Shed 20 Apapa Wharf
Apapa
Lagos

SUBSIDIARY

Savannah Sugar Company Limited
Numan, Adamawa State

FINANCIAL CALENDAR (YEAR END)

December 31st

AUTHORISED/PAID UP SHARE CAPITAL
12,000,000,000 Ordinary Shares of 50k each

REGISTRAR AND TRANSFER OFFICE:
Zenith Registrars
Plot 89A, Ajose Adeogun Street
Victoria Island
Lagos.

AUDITORS
Akintola Williams Deloitte
(Chartered Accountants)
235 Ikorodu Road
Ilupeju, Lagos.

BANKERS
Access Bank Plc
Diamond Bank Plc
Ecobank Nigeria Plc
Fidelity Bank Plc
First Bank of Nigeria Plc
First City Monument Bank Plc
GTBankPlc
StanbicIBTC Bank Plc
Standard Charted Bank Nigeria Ltd
UBA Plc
Zenith Bank Plc

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of **DANGOTE SUGAR REFINERY PLC** will hold at Latana Hall, The Eko Hotel & Suites Lagos, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Monday, 13th May, 2013 at 11.00 a.m. prompt to transact the following business: -

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December, 2012, together with the report of the Directors, Auditors and Audit Committee thereon.

2. To declare a Dividend.

3. To re–elect Directors.

4. To approve the remuneration of the Directors.

5. To authorize the Directors to fix the remuneration of the Auditors.

6. To elect members of the Audit Committee.

PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy for an organisation may vote on a show of hands and on a poll. For the appointment to be valid, a completed proxy form must be deposited at the registered office of the Company or with the Registrars - Zenith Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos, not later than 48 hours before the time of the meeting.

CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of Members and Transfer Books of the Company will be closed from Thursday 25th to Friday 26th of April, 2013, both dates inclusive, to enable the Registrar prepare for the payment of dividend.

UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS

All shareholders are hereby informed that the Registrars of the Company are holding share certificates and dividend warrants which have been returned by the Post Office as "unclaimed". Some dividend warrants sent to Shareholders' registered addresses are yet to be presented for payment or returned to the Registrars of the Company for revalidation.

DIVIDEND AND DIVIDEND WARRANTS

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, it will be paid to Shareholders, whose names appear in the Company's Register of members at the close of business on Wednesday, 24th of April, 2013. Shareholders who have completed the e-dividend Mandate Form will receive a direct credit of the dividend to their bank accounts on Tuesday, 14th May, 2013, while the dividend warrants of Shareholders who have not completed the e-dividend Mandate Form will be posted by Friday17th May, 2013.

AUDIT COMMITTEE

In accordance with section 359 (5) of the Companies and Allied Matters Act 1990, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD

CHIOMA MADUBUKO (MRS.)
Company Secretary/Legal Adviser
Dangote Sugar Refinery Plc.
3rd Floor, Greenview Development Nigeria Ltd Building,
Terminal "E" Apapa Port Complex.
Lagos, Nigeria.

Dated this 27th day of March, 2013

> *I am pleased to inform you that the Board of Directors has recommended for your approval payment of a cash dividend ofN6 billion; representing 50 Kobo for every one ordinary share of 50 kobo each held by members in the Company...*

Alhaji Aliko Dangote (GCON)
Chairman

Distinguished Shareholders, My colleagues on the Board, Representatives of the SEC, NSE, CAC and other regulators here present, Invited guests, Gentlemen of the Press, Ladies and Gentlemen, I welcome you to the 7th Annual General Meeting of Dangote Sugar Refinery Plc. and I am delighted to present to you our Report and Financials for the year ended 31st December, 2012.

During the year under review there were various challenges in our operating environment, especially the unfortunate fire incident that affected 60% of our refinery on the 7th of July, 2012. Nonetheless, there were positive developments in our operations and the Company recorded a remarkable performance in the year.

In pursuit of our various growth initiatives, we made efforts to enhance our competitive edge. You will recall that our executive management team was restructured and our marketing, sales and distribution strategies were realigned to position us strategically with a view to drive performance, improve efficiency and output in 2012. Hence, the progress and successes recorded with these efforts are fundamental to our improved performance and results for the year ended 31st December, 2012.

OUR OPERATIONS

The Company continued to pursue its growth strategies through quality investments and efficiency improvements. One of the key projects completed last year was the rehabilitation of 60% of the refinery which was affected by the fire. This 60% comprises most of the 600,000MT initial installed capacity. During the rehabilitation, production continued from the remaining 40% that was not affected by the fire. Though production was affected, we sustained sales and supplies to our various markets from our Company's strategic sugar reserve without disruption.

The rehabilitation was fully concluded in December 2012, and we now have our state of the art refinery in full operation. Our volumes have increased, production yield improved and the quality of our sugar enhanced. Today, Dangote Sugar has the highest quality refined sugar in sub Saharan Africa. The quality has been attested to by most multinational companies in our customer base.

We continued our quest for excellence during the year under review with the International Food Safety Certification project. Various regulatory bodies and multinational companies have carried out an audit of all our internal processes to ascertain our compliance with International Food Safety Standards; and I am pleased to inform you that the results of the entire audit were positive.

In the same vein, we have concluded the acquisition of Savannah Sugar Company Limited (Savannah). Dangote Sugar Refinery Plc now owns 95% stake in Savannah Sugar Company Limited. The acquisition was approved by the shareholders during the last general meeting. Consequently, this acquisition has properly positioned us, as it is now a condition for the operation of sugar refineries in the country. Our target is to achieve local production of 1.5million metric tonnes of raw sugar per annum by year 2018 harvest season. In addition to Savannah, other sites will be acquired and the necessary steps taken to ensure that our foray in the backward integration project becomes a good part of our success story.

Please note that we have pulled out our investment from Algeria. You will recall that we had planned to expand our operation with a 1.1million metric tonnes of sugar refining facility in Algeria. Unfortunately the Algerian government came up with unfavorable policies that would impede the achievement of the goals with which the investment was targeted. All the equipment has been shipped back to Lagos and the land we acquired for the project will be sold upon its appreciation, to recoup our investment. The next line of action on this project will be communicated to you in due course.

2012 OPERATING RESULTS & PERFORMANCE

Despite the challenging operating environment during the year under review, we posted a remarkable performance. Our Turnover stood at N106,868,054,000 Operating profit before Taxation stood at N16,331,679,000, while Profit after Taxation stood at N10.735,450,000. This represents a 49.5% growth in profit over what was recorded in year 2011. This performance is an indication of the positive outcome of the various changes and strategic initiatives implemented in the company during the year under review. Our emphasis is now on growing new markets for higher volumes, a more improved bottom-line, increased market share and value creation for all stakeholders.

DIVIDEND

I am pleased to inform you that the Board of Directors has recommended for your approval payment of a cash dividend ofN6 billion; representing 50 Kobo for every one ordinary share of 50 kobo each held by members in the Company. If approved, the dividend will be paid net Withholding Tax to all shareholders in the Register of members at the close of business on Wednesday, April 24th, 2013.

Shareholders should please embrace the e-dividend payment option, to enable our Registrars credit their bank accounts immediately. Dividend warrants of those Shareholders who are yet to complete their e-dividend Mandate Form will be posted on or before Friday17th May, 2013. Once again we request every shareholder to complete the detachable forms in the 2012 annual reports and submit to the Registrars. Compliance with this humble request will allow for immediate payment of dividends and avert every bottle neck usually encountered with postage of warrants, certificates amongst others.

BOARD OF DIRECTORS

There have been no changes in the Board composition since the last Annual General Meeting. However, the Directors retiring by rotation, being eligible will offer themselves for re-election in the course of this meeting.

OUR STAFF

Our emphasis on human capital development has continued to drive your company's performance. Improved welfare packages, performance bonuses, training and development during the year under review, we have aligned our people with our goals and committed to good manufacturing and best practices in every area of our operations. We will continue to place high priority on their training and development, seek and retain the best talents in our continued pursuit of operational and service excellence.

FUTURE OUTLOOK

Ladies and Gentlemen, year 2013 is very promising; our strategy is competitive prices, increased volumes and profitability. We are already pursing this but there are major challenges affecting the successful implementation of these strategies; the most noteworthy is the Federal Government's New Sugar Master Plan, which is expected to cumulate by year 2020. This new policy saw to the introduction of a 60% tariff payment on raw sugar import, an increase from the existing 5%, effective January 2013. The effect of this on our operations cannot be over emphasized especially in a very price sensitive market like ours. This obviously, will put a lot of pressure on our bottom-line this business year.

Incidentally, the local sugar plantations can only feed the mills and not the existing sugar refineries in the country. Therefore, we made collective effort with others to persuade the government to reverse the tariff and implement the New Sugar Master Plan with a more realistic timetable.

Despite these challenges, the Board and Management will continue to do their very best to sustain the company's achievements. The successful growth strategies already being implemented in the company will be continued and we will further strengthen our leadership position with flexibility in meeting our customers' needs and more market penetration in Nigeria, and across Africa.

CONCLUSION

Ladies and gentlemen, our Company's performance in year 2012 is a result of our strong leadership position in the market. With the renewed commitment of our Management and Staff, the company can only move to greater heights. We therefore thank the Management and Staff for their unalloyed commitment, which is instrumental to this performance.

On behalf of the Board, Management and Staff, I express our profound gratitude to our distributors, corporate customers, bankers, suppliers and every stakeholder in the Company, for their support. Your contributions made significant impact on the results we are seeing today. We are grateful for your partnership and count on your continued support in the years ahead.

My appreciation also goes to my colleagues on the Board for providing a purposeful direction for the Company.

Finally, Dear Shareholders, Ladies and Gentlemen, I thank you for your presence and kind attention at this meeting.

Alhaji Aliko Dangote (GCON)
Chairman

THE BOARD

Alhaji Aliko DANGOTE (GCON)
(Chairman)

Engr. Abdullahi A. SULE
(Managing Director)

Ms. Bennedikter MOLOKWU
(Director)

Dr. Konyinsola AJAYI (SAN)
(Director)

THE BOARD

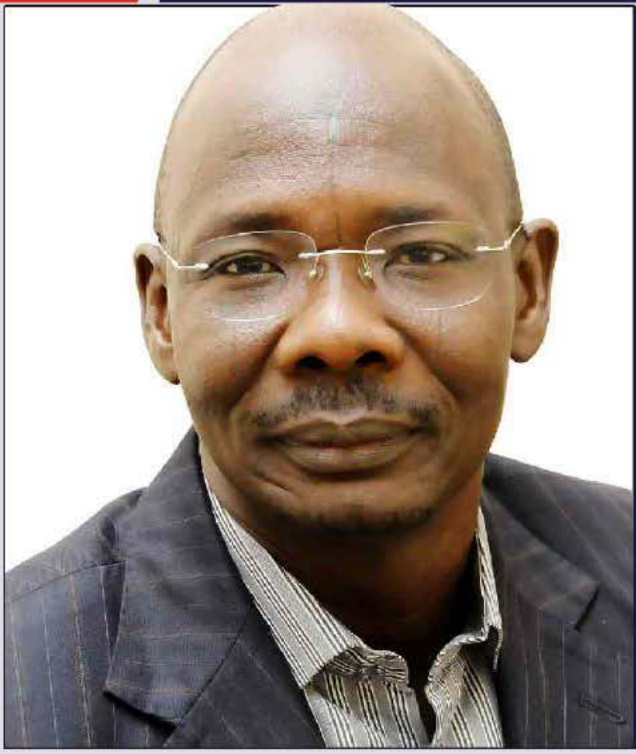
Alhaji Sani DANGOTE
(Director)

Mr. Olakunle ALAKE
(Director)

Alhaji Abdu DANTATA
(Director)

Mr. Uzoma NWANKWO
(Director)

Mr. Suleiman OLARINDE
(Director)



Our Dear Shareholders, Members of the Board of Directors, Regulators here present, Gentlemen of the Press, Invited guests, Ladies and Gentlemen; this meeting is another opportunity for me to present the operational highlights of our Company, for the year ended December 31st, 2012.

2012 HIGHLIGHTS

During the year under review, the operating environment was undoubtedly marked by various economic, security and political challenges. However, the Company prevailed and maintained its leadership position in the Nigerian Food & Beverage industry, with the continued implementation of our various growth strategies.

We made significant improvements in our operations with a major review of the Company's business strategies towards re-establishment of the pathway to sustainable growth and profitability. As a result, our focus was on four key areas: - Improved Efficiency, Increased Production output, Increased Customer Base & Sales and Employees' rewards.

These factors redefined our sales approach and distribution network. We increased our distributor base and signed on more institutional customers, with a rigorous attempt at compliance and improved customer service level, which had a positive impact on our overall performance in year 2012.

About 99.5% of our set targets were achieved, being a significant growth over the same period in 2011. Our operating profit grew by 49.5% to N16.3 billion, Sales volume increased by 7% to 13.26 million bags, followed by a 95% yield in Production. The full financial statements for the year ended 31 December, 2012 are presented in the appropriate section of this annual report and accounts.

Unfortunately, on the 7th July 2012, part of our refining plant was gutted by fire. The fire incident which affected about 60% of our production line led to the rehabilitation of our refinery operations during the year. Our operations are now more efficient with high quality product output.

In addition to Ghana, our export drive also continued with prospective inroads to Togo, Mali, Burkina Faso and The Gambia. Unfortunately we could not continue, as our priority was to satisfy the local market with our strategic reserve, after the fire incident. Other countries are being explored and will continue until we fully establish our presence throughout the West African coast.

We also commenced the process for the Food Safety Management System certification for our Company. Various infrastructures required for the certification was provided amongst other activities that have brought us to the final stages of implementation of the standard. The Food Safety Management System is a stringent standard that is globally accepted and implemented by food industries worldwide. The Food Safety Management System will further attest to the high quality standards maintained by our company and also give us an edge over competition.

Another milestone recorded by our Company during the year under review is the acquisition of Savannah Sugar Company Limited earlier mentioned in the Chairman's Statement. Efforts are now underway to ensure the necessary steps are taken to boost the company's operations.

SAVANNAH SUGAR COMPANY LIMITED

Savannah Sugar Company Limited is a fully integrated sugar producing company, located on 32,000 hectares (land) in Numan Adamawa State; out of which 5200 hectares are currently under cultivation. The company's principal activity includes growing and processing of sugar cane with product offering that spans across refined sugar, molasses, bagasse and filter press mud. The Company has a daily cane crushing capacity of 4,000MT.

As part of DSR's market leadership strategy, it acquired 95% shares of Savannah Sugar Company Limited. Having concluded the acquisition, we are discussing with international sugar consultants with proven experience in sugar backward integration project to assist us with development of Savannah Sugar fields to its full potentials. The Company will be run as a full subsidiary of DSR Plc.

In addition to Savannah, plans are already underway for the expansion of our backward integration project with acquisition and development of other sugar fields across the country. Fortunately, the Federal Government's New Sugar Master Plan identified various locations that are suitable for sugar cane farming and the consultants will help us in selecting sites that are most suitable for our needs.

COMPLIANCE TO IFRS

In September 2010, the Financial Reporting Council of Nigeria (formerly Nigeria Accounting Standard Board), recommended the IFRS (International Financial Reporting Standard) adoption road map for Nigeria. This road map prescribed a phased transition which spanned across three years. The potential impact of the IFRS conversion on financial reporting, business processes, human capital, regulatory synergies and the impact on business performance and financial reporting were reviewed; hence KPMG Consultants were employed to guide us in the seamless compliance with IFRS.

As at today, our Company has fully complied with IFRS in all our financial reporting. Several investments were made in our Human Resources and Information Technology to ensure that all areas of our operations are fully compliant with the IFRS. The goal of IFRS is to promote and improve uniformity in financial reporting standards across nations, for transparency and easy comparability in a global market; therefore our Company is now better positioned in the global market with a consistent and internationally streamlined financial reporting standard.

FUTURE MARKET DEVELOPMENT

This year and beyond, our focus is to grow our market within Nigeria and Africa, with high quality products, a reinforced and effective supply chain and Information management system. We will continue to build on our existing competencies to enable us set the needed platform for continuous market expansion, volume growth and delivery of the desired benefits to all stakeholders.

Our targets are clear and well communicated to our employees, supported with flexible framework that allows for the realignment of implementation steps if the need arises. We will continue to attract and retain the best talents in the industry; with priority on continuous manpower development and planning/right placement of staff.

Our competitive strengths and growth potentials will be fully maximized, with the like Sudan and India etc., and adopt a model for the backward integration project.

opportunities that abound in the backward integration project. We will optimize our brand portfolio; employ competitive pricing, good customer relations, and effective distribution to increase profitability with our existing and new markets.

Though the Federal Government's new policy in respect of the New Sugar Master Plan is aimed at encouraging growth in backward integration in the country, we are still far from its realization. We believe the Federal Government should borrow a leaf from other successful sugar producing nations

We are however, making efforts in conjunction with the other sugar refiners in the country to ensure this situation is managed effectively.

Dear Shareholders, our sincere appreciation goes to all our esteemed distributors, customers, suppliers, bankers and you, our Shareholders as well as other stakeholders for their partnership and support through the years. We solicit the continued support and are confident that with them, we are assured of greater days ahead.

I thank the Board of Directors for their insightful leadership and our Management and Staff for their unwavering support and commitment to the achievement of our set targets. With this tempo, we are certain our Company will sustain this performance and remain a clear market leader despite the challenges we may face in the years ahead.

Engr. Abdullahi A. Sule
Managing Director

1. ACCOUNTS

The Directors are pleased to submit their report together with the audited financial statements of the Company for the year ended 31st December, 2012.

2. RESULT

	N'000
The Company's profit for the year after taxation was	10,735,450
Proposed dividend for year ended 31st December, 2012	6,000,000

3. PRINCIPAL ACTIVITIES

The Company refines raw sugar into edible sugar and sells refined sugar.

4. LEGAL FORM

The Company was incorporated on the 4th of January 2005 as a Public Limited Liability Company. The shares are quoted on the Nigerian Stock Exchange.

5. DIRECTORS AND THEIR INTERESTS

I. The names of Directors who are currently in office are as follows:

a) Alhaji Aliko Dangote (GCON) Chairman
b) Engr. Abdullahi Sule (Managing Director)
c) Alhaji Sani Dangote
d) Mr. Olakunle Alake
e) Ms. Bennedikter Molokwu
f) Dr. Konyinsola Ajayi (SAN)
g) Mr. Uzoma Nwankwo
h) Alhaji Abdu Dantata
i) Mr. Suleiman Olarinde

During the course of the year, there were no changes in the Board Composition.

II. In accordance with Article 62(b) (c) of the Company's Articles of Association, the Directors retiring by rotation are Ms.Bennedikter Molokwu and Alhaji Abdu Dantata and being eligible, offer themselves for re-election.

III. No Director has a service contract not determinable within five years.

The Directors' interest in the issued share capital of the Company as recorded in the Register of members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, C20 Laws of the Federation of Nigeria 2004 are as follows:

DIRECTORS' SHAREHOLDING

	Number of shares held as at	
	31st Dec., 2012	27th March, 2013
AlhajiAlikoDangote (GCON)	653,095,014	653,095,014
Engr. Abdullahi Sule	1,044,000	1,044,000
AlhajiSaniDangote	Nil	Nil
Mr.Olakunle Alake	6,864,000	6,864,000
Ms.BennedikterMolokwu	1,383,400	1,383,400
Dr.KonyinsolaAjayi (SAN)	Nil	Nil
Mr.Uzoma Nwankwo	834,692	834,692
Alhaji Abdu Dantata	1,044,000	1,044,000
Mr. Suleiman Olarinde	Nil	Nil

6. DIRECTORS RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for that period, and comply with the provisions of the Companies and Allied Matters Act, C20 Laws of the Federation of Nigeria 2004.

In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;
- judgments and estimates made are reasonable and prudent;
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business and;
- Internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities.

7. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st December, 2012, apart from Dangote Industries Limited with 8,119,200,000 ordinary shares of 50k each and Alhaji Aliko Dangote with 653,095,014 ordinary shares of 50k each, no other shareholder held more than 5% of the issued share capital of the Company.

8. FIXED ASSETS

Movements in fixed assets during the year are shown in Note 13 to the Accounts. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

9. DONATIONS AND CHARITABLE GIFTS

Dangote Sugar Refinery Plc. identifies with the causes and aspirations of our operational environment by supporting charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others. During the year under review, the following donations were made by the Company: -

1. The Nigeria Cake Expo 2012	200,000.00
2. Demonstration School for Deaf Children, Kaduna State	3,530,000.00
3. Capital Market Correspondents Association of Nigeria	50,000.00
	3,780,000.00

No donation was made to any political party or organisation during the year.

10. POST BALANCE SHEET EVENTS

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company as at 31st December, 2012 and the profit for the year ended on that date which have been adequately recognised or disclosed in the Financial Statements.

11. COMPANY'S DISTRIBUTORS

The Company's products are sold through many Distributors across the whole Country.

12. SUPPLIERS

The Company obtains its materials at arm's length basis from overseas and local suppliers. Amongst its main overseas and local suppliers are SUCRES ET DENREES, Cargill International, Broadbent UK, Belvoir UK andDangoteAgrosacks, Gaslink Nigeria Ltd, Vitachem Nigeria Ltd, Biochemical Derivatives Nigeria Ltd, Istabaraqim Nigeria Ltd amongst others.

13. SHAREHOLDING ANALYSIS

Range		No. of Holders	Holder%	Units	Units %
1 -	10,000	86,607	82.4	198,155,520	1.65
10,001 -	50,000	13,984	13.32	290,718,941	2.42
50,001 -	500,000	3,935	3.75	494,105,952	4.12
500,001 -	1,000,000	207	0.20	152,811,414	1.27
1,000,001 -	10,000,000	227	0.22	679,610,348	5.66
10,000,001 -	50,000,000	26	0.02	456,952,498	3.81
50,000,001 -	100,000,000	4	0.00	323,469,984	2.70
100,000,001 -	500,000,000	4	0.00	751,880,329	6.27
500,000,001 -	12,000,000,000	2	0.00	8,652,295,014	72.10
		104,996	**100.00**	**12,000,000,000**	**100.00**

14. HUMAN RESOURCES

1. Employment and Employees

The Company has reviewed its employment policy in line with the needs of business. We remain an equal opportunities employer, with employment policies that are not discriminatory to gender, race, religion or disability to our existing and potential employees. We are focused on attracting and retaining outstanding talents in the Company.

2. Health, Safety and Environment

The Company continuously strives to improve its operations to ensure a safe and conducive working environment. It maintains a high standard of hygiene in all its premises through sanitation practices and the regular fumigation exercises have been further strengthened by the installation of pest and rodent control gadgets. Health, Safety and Environment workshops are organized for all employees with a broad focus on good housekeeping to ensure a safe working environment. The company provides fully paid nutritionally balanced meals for staff in the canteen. Regularly, the Company updates its staff on current issues as they relate to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

3. Employee Development

The Company continues to place premium on its human capital development for improved efficiency of the business and maintenance of a strategic manpower advantage over competition. During the year under review, the Company invested in the training and development of its workforce through in-house and external training programmes locally and overseas across all job functions, while continuously encouraging employees to develop themselves to their full potentials.

15. AUDIT COMMITTEE

Pursuant to Section 359(3) of the Companies and Allied Matters Act Cap. C20 Laws of the Federation of Nigeria, 2004, the Company has an Audit Committee comprising three members representing the Public Shareholders and three Directors representing the Board as follows:-

Mr.Segun Olusanya	-	Shareholder/Chairman
Mallam Dahiru Ado	-	Shareholder/Member
Hadjia Muheebat Dankaka (OON)	-	Shareholder/Member
Dr. Konyinsola Ajayi (SAN)	-	Director/Member
Ms. Bennedikter Molokwu	-	Director/Member
Mr. Olakunle Alake	-	Director/Member

The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria 2004.

16. AUDITORS

Messrs Akintola Williams Deloitte (Chartered Accountants), the Auditors to the Company have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act. Cap C20 Laws of the Federation of Nigeria, 2004. A resolution will be proposed authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Chioma Madubuko (Mrs)
Company Secretary/Legal Adviser
3rd Floor, GDNL Building
Terminal E, Shed 20
NPA Wharf Port Complex
Apapa - Lagos

Dated this 27th day of March, 2013

STATEMENT OF DIRECTORS RESPONSIBILITIES
IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2012

In accordance with the provisions of the Companies and Allied Matters Act of Nigeria, the Directors are responsible for the preparation of annual financial statements, which give a true and fair view of the state of affairs of their Company at the end of the financial period and of their profit or loss for the year ended.

Their responsibilities among others include ensuring that:

I. The Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with requirements of the Companies and Allied Matters Act of Nigeria;

II. Appropriate and adequate internal controls are established to safeguard its assets, prevent and detect fraud and other irregularities;

III. The Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied; and

IV. It is appropriate for the financial statements to be prepared on a going concern basis

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standard (IFRS) and the requirements of the Companies and Allied Matters Act of Nigeria.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE DIRECTORS BY:

27th March, 2013	**27th March, 2013**

Dangote Sugar Refinery Plc. (DSR) is committed to best practice and procedures in corporate governance. Overseen by the Board of Directors, DSR's corporate governance practices are constantly under review, in line with the dynamics of the business environment.

The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the Company's business is conducted in a fair, honest and transparent manner, which conforms to high ethical standards. As a responsible corporate citizen, Dangote Sugar Refinery Plc. complies with all applicable national laws and regulations.

The Board delegates the day-to-day running of the Company's affairs to the MD/CEO. An Executive Management Team made up of all heads of departments in the Company supports the MD/CEO in this task. The Management team holds scheduled meetings twice monthly to deliberate on all issues affecting the day to day running of the Company. The Board obtains from Management, information concerning the business operations, risks, internal controls and any development that affects or may affect the business growth.

THE BOARD OF DIRECTORS

The Board currently consists of nine members, the Chairman, Managing Director and seven non-executive Directors, two of whom are Independent Directors. The Board has the overall responsibility for ensuring that the Company is appropriately managed towards the achievement of the Company's strategic objectives. The Board is headed by a non – executive Chairman.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

It is the responsibility of the Board of Dangote Sugar Refinery Plc to:

- Ensure that the Company's operations are conducted in a fair, honest and transparent manner that conform to high ethical standards;
- Ensure integrity of the Company's financial and internal control policies;
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities (NSE, CAC, SEC) and Shareholders;
- Ensure value creation for shareholders, employees and other stakeholders;
- Review and approve corporate policies, strategy, annual budget and business plan;

- Monitor implementation of policies and the strategic direction of the Company;
- Set performance objectives, monitor implementation and corporate performance;
- Review and approve all major and capital expenditure of the Company;
- Ensure that the statutory rights of Shareholders are protected at all times.

The Board carries out the above responsibility through the Board Committees whose terms of reference clearly set out their roles, responsibilities, scope of authority and procedures for reporting to the Board. Each committee is chaired by a non – executive Director to ensure strict compliance with the principles of good corporate governance practice, while a representative of the Shareholders chairs the Audit Committee.

The Committees assist the Board in fulfilling their oversight functions regarding Financial Reporting, Risk Management, Internal Control, Employee welfare etc in line with regulatory and corporate governance practice requirements.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors holds at least four meetings a year, to consider important corporate events and actions such as approval of corporate strategy, annual corporate plan, review of internal risk management and control systems, performance review; direct the affairs of the Company, its operations, finances and formulate growth strategies. It may however, convene a meeting whenever the need arises. During the year under review, the Board of Directors and the Board Committees convened several meetings.

RECORD OF DIRECTORS' MEETING

In line with the provisions of Section 258(2) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria, 2004, the record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting.

SUB COMMITTEES OF THE BOARD OF DIRECTORS

The Board delegated some of its responsibilities to standing committees that consists of Executive and Non – executive Directors. In compliance with the practices of good corporate governance, the Chairman of the Board of Directors is not a member of any of these Committees. The Committees are the Establishment, Finance and Risk Management Committees. The Committees report to the Board of Directors on their activities and recommendations, which are ratified by the full Board, at a meeting.

Finance Committee

The Committee is comprised of five Directors, with an independent Director as Chairman. Members of the Committee are:

Ms.BennedikterMolokwu	-	Chairman
Mr.Olakunle Alake	-	Member
Alhaji Abdu Dantata	-	Member
Engr. Abdullahi Sule	-	Member
Mr. Suleiman Olarinde	-	Member

Responsibilities of the Finance Committee: -

- Assessment and monitoring of all risks associated with the operations of the Company
- Development and monitoring of the implementation of internal control systems by management
- Assisting the Board in its responsibility relating to the oversight of the Company's financial credit and risk management policies and procedures.

Establishment Committee

The Committee comprise of four Directors, with an independent Director as Chairman. Members of the Committee are:

Dr.KonyinsolaAjayi (SAN)	-	Chairman
Engr. Abdullahi Sule	-	Member
Mr. Suleiman Olarinde	-	Member
Mr. Uzoma Nwankwo	-	Member

Responsibilities of the Establishment Committee: -

- Reviewing the policy framework for employees' and remuneration issues;
- Making recommendations to the Board on all new Board appointments.

Risk Management Committee

The Committee comprises of five Directors; two of whom are independent Directors. Members of the Committee are:

Mr. Uzoma Nwankwo	-	Chairman
Ms. BennedikterMolokwu	-	Member
Dr. KonyinsolaAjayi (SAN)	-	Member
Mr. Olakunle Alake	-	Member
Mr. Suleiman Olarinde	-	Member

Responsibilities of the Risk Management Committee: -

- To recommend to the Board on an annual basis the Company's Total Financial Volatility Risk Appetite, including Risk Type Limits for Wholesale Credit Risk, Retail Credit Risk and Market Risk for the following year;
- To ratify any cumulative change over 10% to the approved Risk Type Limits within the Company's Financial Volatility Risk Appetite set for each year;
- To receive reports of any change less than 10% to the approved Risk Type Limits within the Company's Total Financial Volatility Risk Appetite set for each year;
- To consider any breaches of the Company's Total Financial Volatility Risk Appetite and each of the approved Risk Type Limits and make recommendations to the Board.

Audit Committee

In addition to the Board Standing Committees, there is the Audit Committee, which also plays an important role in the Company. The Audit Committee is made up 6 (six) members, three members of the Board of Directors and 3 members representing the Shareholders.

In compliance with the requirement of corporate governance practice, a shareholder chairs the committee. Members of the Audit Committee are elected annually at the General Meeting. Members of the Committee are -

Mr.Segun Olusanya	Chairman/Shareholder Representative
HadjiaMuheebatDankaka (OON)	Shareholder Representative
MallamDahiru Ado	Shareholder Representative
Ms.BennedikterMolokwu	Director
Mr.Olakunle Alake	Director
Dr.KonyinsolaAjayi (SAN)	Director

Responsibilities of the Audit Committee: -

- Ensuring the Independence and Objectivity of the audit (statutory and internal);
- Reviewing the adequacy and effectiveness of the Company's internal control policies prior to endorsement by the Board;

- Directing and supervising investigations into matters within its scope, such as evaluations of the effectiveness of the Company's internal controls, business partner and client misconduct or conflict of interest.

In addition to the above stated responsibilities, the Committee carries out all such other functions as are stipulated by the Companies and Allied Matters Act. Cap C20 Laws of the Federal Republic of Nigeria, 2004.

ATTENDANCE OF MEETINGS BY MEMBERS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES FROM JANUARY 1 – DECEMBER 31, 2012

	ATTENDANCE				
	FEB	APRIL	MAY	JULY	OCTOBER
Alhaji Aliko Dangote (GCON)	√	√	√	√	√
Alh. Sani Dangote	√	√	A	√	A
Engr. Abdullahi Sule	√	√	√	√	√
Ms. Bennedikter Molokwu	√	√	A	√	√
Dr. Konyinsola Ajayi (SAN)	√	A	√	A	√
Mr. Olakunle Alake	√	√	√	A	√
Alh. Abdu Dantata	√	√	√	√	√
Mr. Uzoma Nwankwo	√	√	√	√	A
Mr. Suleiman Olarinde	√	√	√	√	A

FINANCE COMMITTEE MEETINGS

	ATTENDANCE				
	FEB	APRIL	MAY	JULY	OCTOBER
Ms. Bennedikter Molokwu	A	√	√	√	√
Mr. Olakunle Alake	√	√	√	A	√
Alh. Abdu Dantata	√	√	√	√	√
Engr. Abdullahi Sule	√	√	√	√	√
Mr. Suleiman Olarinde	√	√	√	√	A

ESTABLISHMENT COMMITTEE MEETINGS

	ATTENDANCE	
	FEB	JUNE
Dr. Konyinsola Ajayi (SAN)	√	√
Mr. Uzoma Nwankwo	√	√
Engr. Abdullahi Sule	√	√
Mr. Suleiman Olarinde	√	√

AUDIT COMMITTEE MEETINGS

	ATTENDANCE				
	FEB	APRIL	APRIL	JULY	OCTOBER
Mr.Segun Olusanya	√	√	√	A	√
Hadjia Muheebat Dankaka (OON)	√	√	√	√	√
Mallam Dahiru Ado	√	√	√	√	√
Ms. Bennedikter Molokwu	√	A	√	√	√
Dr. Konyinsola Ajayi (SAN)	√	A	A	A	√
Mr. Olakunle Alake	√	√	√	√	√

√: Attendance
A: Apology
N/A: Not Applicable

The Directors of Dangote Sugar Refinery Plc are responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2012, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, the Directors are responsible for:

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

The Directors are responsible for:

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

The financial statements of the Company for the year ended 31 December 2012 were approved by management on 27 March, 2013

Signed on behalf of management of the Company

Chief Executive Officer
FRC no: /2013/NSE/00000002065
Date: 15th April, 2013

Chief Financial Officer
FRC no: /2013/ICAN/00000002066
Date: 15th April, 2013

Vice Chairman
FRC no: /2013/IODN/00000001763
Date: 15th April, 2013

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 1990, we have examined the Auditors' report for the year ended 31st December, 2012. We have obtained all the information and explanations we required.

In our opinion, the Auditors' report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. Having reviewed the Auditors' findings and recommendations on Management matters, we are satisfied with Management's response therein.

Mr. Segun Olusanya
Chairman, Audit Committee

Dated this 28th day of March, 2013

MEMBERS OF THE AUDIT COMMITTEE

Hadjia Muheebat Dankaka (OON)

Mallam Dahiru Ado

Ms. Bennedikter Molokwu

Dr. Konyinsola Ajayi (SAN)

Mr. Olakunle Alake

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DANGOTE SUGAR REFINERY PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Dangote Sugar Refinery Plc, which comprise the statements of financial position as at 31 December 2012, 31 December 2011 and 1 January 2011, the income statement, statement of changes in equity, cash flow statement for the years ended 31 December 2012 and 31 December 2011, a summary of significant accounting policies and other explanatory information set out on pages 40 to 96.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors" judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity"s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity"s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dangote Sugar Refinery Plc as at 31 December 2012, 31 December 2011 and 1 January 2011 and the financial performance and cash flows for the year then ended 31 December 2012 and 31 December 2011 in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011 and the International Financial Reporting Standards.

Akintola Williams Deloitte

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

Chartered Accountants
Lagos, Nigeria
11 April 2013

FRC number: FRC/2013/ICAN/0000000871

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	31/12/2012 N'000	31/12/2011 N'000
Continuing operations			
Revenue	5	106,868,054	107,218,642
Cost of sales	6	(85,756,863)	(93,620,923)
Gross profit		21,111,191	13,597,719
Administrative expenses	7	(6,878,796)	(3,145,814)
Investment income	8	1,314,653	370,634
Other income	9	784,631	98,690
Profit before tax		16,331,679	10,921,229
Income tax expense	10	(5,535,263)	(3,517,632)
Profit for the year	11	10,796,416	7,403,597
Other comprehensive expenditure:			
Actuarial loss on gratuity scheme (net of tax)	21.5	(60,966)	(159,541)
Total other comprehensive loss for the year		(60,966)	(159,541)
Total comprehensive income for the year		**10,735,450**	**7,244,056**
Earnings per share			
Basic and diluted earnings per share (Kobo)	12	**90**	**62**

The notes on pages 40 to 96 and statements on pages 97 to 98 form an integral part of these financial statements

Assets	Note	31/12/2012 N'000	31/12/2011 N'000	1/1/2011 N'000
Non-current assets				
Property, plant and equipment	13	17,898,310	16,283,504	15,509,562
Other assets	15	7,904	35,745	2,651
Investments	15a	864,647	864,647	972,337
Total non-current assets		**18,770,861**	**17,183,896**	**16,484,550**
Current assets				
Inventories	14	14,030,303	27,947,065	25,590,626
Trade and other receivables	16	24,844,649	21,379,356	23,206,263
Other assets	15	442,195	208,365	169,559
Cash and cash equivalents	17	24,963,442	6,096,039	6,240,257
Total current assets		**64,280,589**	**55,630,825**	**55,206,705**
Total assets		**83,051,450**	**72,814,721**	**71,691,255**
EQUITY				
Share capital	18	6,000,000	6,000,000	6,000,000
Share premium	19	6,320,524	6,320,524	6,320,524
Retained earnings	20	33,948,635	26,813,185	26,769,129
Total equity		**46,269,159**	**39,133,709**	**39,089,653**
LIABILITIES				
Employee benefits	21.4	1,260,873	915,570	585,533
Deferred tax liabilities	10.5	3,000,568	2,837,360	2,976,412
Total non-current liabilities		**4,261,441**	**3,752,930**	**3,561,945**
Current tax liabilities	10.4	5,408,566	3,539,007	4,980,105
Trade and other payables	22	27,112,284	26,389,075	24,059,552
Total current liabilities		**32,520,850**	**29,928,082**	**29,039,657**
Total liabilities		**36,782,291**	**33,681,012**	**32,601,602**
Total equity and liabilities		**83,051,450**	**72,814,721**	**71,691,255**

These financial statements were approved and authorised for issue by the Board of Directors on 27 March 2013 and were signed on its behalf by:

Chief Executive Officer	**Vice Chairman**	**Chief Financial Officer**
FRC no:/2013/NSE/00000002065	**FRC no:/2013/IODN/00000001763**	**FRC no:/2013/ICAN/00000002066**

The notes on pages 40 to 96 and statements on pages 97 to 98 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
Balance as at 1 January, 2011	**6,000,000**	**6,320,524**	**26,769,129**	**39,089,653**
Profit for the year			7,403,597	7,478,675
Other comprehensive Loss (net of tax)				
Actuarial loss on Gratuity scheme	-	-	(159,541)	(234,619)
			(159,541)	(234,619)
Total comprehensive income for the year	-	-	7,244,056	7,244,056
Dividend Paid (Note 20a)			(7,200,000)	(7,200,000)
Balance as at 31 December, 2011	**6,000,000**	**6,320,524**	**26,813,185**	**39,133,709**
Profit for the year			10,796,416	10,796,416
Other comprehensivdoss (net of tax)				
Actuarial loss on gratuity	-	-	(60,966)	(60,966)
	-	-	(60,966)	(60,966)
Total comprehensive income for the year	-	-	10,735,450	10,735,450
Dividend paid (Note 20a)			(3,600,000)	(3,600,000)
Balance as at 31 December, 2012	**6,000,000**	**6,320,524**	**33,948,635**	**46,269,159**

	Note	31/12/2012 N'000	31/12/2011 N'000
Cash flows for operating activities			
Profit for the year		**10,796,416**	**7,403,597**
Adjustments for non-cash income and expenses:			
Income tax expense recognised in profit and loss	10	5,535,263	3,517,632
Depreciation	13	1,658,899	1,481,430
Impairment loss on property, plant and equipment	13	631,150	163,757
Impairment loss recognised on trade receivables		75,254	(69,159)
Investment income	8	(1,314,653)	(370,634)
Actuarial loss on gratuity scheme	21.5	(60,966)	(159,541)
Income tax expense recognised in the statement of comprehensive income		(28,688)	(75,078)
Changes in operating assets and liabilities:			
(Increase)/decrease in inventories		13,916,763	(2,356,438)
(Increase)/decrease in trade and other receivables		(3,540,541)	2,003,756
Increase in other assets		(205,996)	(71,900)
Increase in trade payables		723,209	2,329,524
Increase in employee benefits		352,312	382,982
Cash generated from operations		**28,538,422**	**14,179,928**
Gratuity scheme payments	21	(7,009)	(52,948)
Tax paid in the year	10.4	(3,473,808)	(5,022,704)
Net cash from operating activities		**25,057,605**	**9,104,276**
Cash flows from investing activities			
Purchase of Property, plant and equipment		(3,904,855)	(2,419,128)
Interest received		1,314,653	370,634
Net cash used in investing activities		**(2,590,202)**	**(2,048,494)**
Cash flows from financing activities			
Dividends paid		(3,600,000)	(7,200,000)
Net cash used in financing activities		**(3,600,000)**	**(7,200,000)**
Net increase / (decrease) in cash and cash equivalents		18,867,403	(144,218)
Cash and cash equivalents at beginning of year	17	6,096,039	6,240,257
Cash and cash equivalents at end of December 2 012	17	**24,963,442**	**6,096,039**

General information

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

The ultimate controlling party is Alhaji Aliko Dangote (GCON).

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

1.1 The principal activity

The principal activity of the Company 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.

1.2 Financial period

These financial statements cover the financial period from 1 January 2012 to 31 December 2012 with comparatives for the year ended 31 December 2011 and a statement of opening position as at 1 January 2011, the date of transition to IFRS.

1.4 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.

1.5 Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political and social, and legal legislative risks. As has happened in the past, actual or perceived 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 disrupt Nigeria"s economy, adversely affecting the Company"s access to capital and cost of capital for the Company and more generally, its business, results of operation, financial condition and prospects.

Because Nigeria produces and exports large volumes of oil, Nigeria"s economy is particularly sensitive to the price of oil on the world market which has fluctuated significantly during 2012 and 2011.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs in issue but not yet effective
IFRS 9 Financial Instruments[3];
IFRS 11 Joint Arrangements[2];
IFRS 12 Disclosures of Interests in Other Entities[2];
IFRS 10 Consolidated Financial statements[2]
IFRS 13 Fair Value Measurement[1];
Amendments to IFRS 7 Financial Instruments: Disclosures – "Disclosures – Offsetting Financial Assets and Financial Liabilities"[1];
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – "Mandatory Effective Date of IFRS 9 and Transition Disclosures"[3];
IAS 19 (as revised in 2011) Employee Benefits[1];
IAS 27 (as revised in 2011) Separate Financial Statements[2];
IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures[2];
Amendments to IAS 32 Financial Instruments: Presentation – "Offsetting Financial Assets and Financial Liabilities"[4];
Amendments to IFRSs – Annual Improvements to IFRSs 2009-2011 cycle except for the amendment to IAS 1 (see above)[1];
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine[1].

1 Effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

2 Each of the five standards becomes effective for annual periods beginning on or after 1 January 2013, with earlier application permitted if all the other standards in the „package of five" are also early applied (except for IFRS 12 that can be applied earlier on its own).

3 Effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments, issued in November 2009 and amended in October 2010, introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

Key requirements of IFRS 9:

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

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

The Company"s management anticipates that IFRS 9 Financial Instruments in the future may have a significant impact on amounts reported in respect of the Company"s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 Financial Instruments until a detailed review has been completed.

Amendments to IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation – "Offsetting Financial Assets and Financial Liabilities and the related disclosures"

The amendments to IAS 32 Financial Instruments: Presentation clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of „currently has a legally enforceable right of set-off" and „simultaneous realization and settlement".

The amendments to IFRS 7 Financial Instruments: Disclosures require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements for financial instruments under an enforceable master netting agreement or similar arrangement.

The disclosures should be provided retrospectively for all comparative periods.

The Company"s management anticipates that the application of these amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regards to offsetting financial assets and financial liabilities in the future.

IAS 19 Employee Benefits

The amendments to IAS 19 Employee Benefits change the accounting for defined benefit plans and termination benefits and a definition of short-term benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur and hence eliminate the „corridor approach" permitted under the previous version of IAS 19:Employee Benefits and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 Employee Benefits are replaced with a „net-interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to IAS 19 Employee Benefits require retrospective application. The Company"s management does not anticipate that the revision of IAS 19 Employee Benefits will have a significant effect on the Company"s consolidated and standalone financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle issued in May 2012

The Annual Improvements to IFRSs 2009-2011 Cycle include a number of amendments to various IFRSs.
Amendments to IFRSs include:

Amendments to IAS 32 Financial Instruments: Presentation

The amendments to IAS 32 Financial Instruments: Presentation clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes.

Amendments to IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property plant and equipment are not inventory.

Amendments to IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

The Company's management anticipates that the amendments to IAS 32 Financial Instruments:

Presentation will have no effect on the Company's consolidated and standalone financial statements.

IFRS 10,11 &12, IAS 27&28 (Revised in 2011)

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor"s returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

3 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.

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These are the Company"s first full IFRS Financial statements and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. Disclosures outlining the adjustments necessary in the transition to IFRS are disclosed in Note 32 and 33.

3.2 Basis of preparation

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

The principal accounting policies are set out below:

3.3 Functional and presentation currency

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

3.4 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, value added tax and any estimated customer returns. Sales are stated at their invoiced amount which is net of value added taxes and discounts.

Sale of goods

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

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

the Company; and

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

3.5 **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset"s net carrying amount on initial recognition.

3.6 **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 Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income. Past service cost is recognised immediately in the profit and loss account to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the 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 reduced by the fair value of plan assets, (if any). Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

3.7 **Taxation**

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

Current tax

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

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

Deferred tax

Deferred tax 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.

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.

3.8 Investment in associates

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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognize the company"s share of the profit or loss and other comprehensive income of the associate. When the company"s share of losses of an associate exceeds the Company"s interest in that associate (which includes any long term interests that, in substance, form part of the company"s net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognsied only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associates.

Any excess of the cost of acquisition over the Company"s share of the net fair value of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized ad goodwill, which is included within the carrying amount of the investment.

Any excess of the Company"s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment is recognized immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company"s investment in an associate. When applicable, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount (higher of the value in use and fair value less costs to sell) with the carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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.

3.9 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 includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

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

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

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

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.

iii. Depreciation

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

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

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

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

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

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

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.

3.10 **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.

3.11. 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.

3.12 Impairment of tangible and intangible assets excluding goodwill

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

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

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.

3.13 **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 realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.14 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.

3.14.1 **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

3.14.2 **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.

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.

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 asset"s original effective interest rate.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset"s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3.16 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.

3.17 Financial liabilities and equity instruments issued by the Company

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 a portfolio of identified financial instruments 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.

3.18 Earnings per share

The Company 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 Company 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.

3.19 Foreign currency transactions and translation

Items included in the financial statements of each of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Naira, which is the Company"s functional and presentation currency.

3.19a 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 assets and liabilities denominated in foreign currencies are recognized in the statement of profit or 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.

3.20 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.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds and the fair value of the loan based on prevailing market interest rates.

3.22 **Segment information**

Information reported to the Chief Operating Decision Maker of the Company for the purposes of resource allocation and assessment of segment performance focuses on its sole product, refined sugar.

Hence, no segment reporting has been provided in the financial statements as the Company is solely involved in the refining and sale of only one product- refined Sugar and this is refined solely from one geographical location, its Apapa factory.

4 CRITICAL ACOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an 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.

4.1 Key sources of estimation uncertainty

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

4.2 Useful life of property, plant and equipment

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

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

4.3 Allowance for credit losses

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

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

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

4.4 First time adoption optional exemption and mandatory exceptions to retrospective application of IFRS.

As previously noted, IFRS 1 requires retrospective application of all IFRS standards with certain optional exemptions and mandatory exceptions. The optional exemptions elected and the mandatory exceptions to retrospective application of IFRS are described below.

Optional exemptions

a. **Employee benefits**

IAS 19 provides the option of recognising all cumulative unamortized actuarial gains and losses in equity at the date of transition.

IAS 19, Employee Benefits, requires retrospective application for the recognition of actuarial gains and losses on employee benefits. IFRS 1 provides the option to recognise all deferred cumulative unamortised actuarial gains and losses on defined benefit pension plans and other benefits plans under Nigerian SAS in opening equity at the Transition Date and provide disclosures on a prospective basis. The Company has taken this option, resulting in the cumulative amount of actuarial losses on the defined benefit pension plans and other benefits plans being recognised in retained earnings at the Transition Date.

b. **Leases**

IFRIC 4, Determining Whether an Arrangement Contains a Lease, requires an assessment of whether a contract or arrangement contains a lease. The assessment should be carried out at the inception of the contract or arrangement. First-time adopters must apply IFRIC 4, but can elect to make this assessment as of the date of transition based on the facts at that date, rather than at inception of the arrangement. The Company elected to take this exception and did not assess arrangement according to IFRIC 4 prior to Transition Date.

Mandatory exceptions

c. **Estimates**

Estimates made in accordance with IFRS at the Transition Date are consistent with estimates the Company previously made under Nigerian SAS.

d. **Classification and measurement of financial assets**

The entity is required to assess whether a financial asset meets the conditions in IAS 39 on the basis of the facts and circumstances that exist at the date of transition to IFRS. The Company had assessed the classification of its financial assets in line with IAS 39.

e. **De-recognition of financial assets and liabilities exception**

Financial assets and liabilities derecognized before 1 January 2011 are not re-recognized under IFRS.

f. **Embedded derivative**

In line with the first time adoption of IFRS 1, the Company applied the exception to the retrospective application of IAS 39 to contracts (with possible embedded derivation conditions) which existed at the date of transition. The exception requires a consideration of such contracts at the later of the date the Company became a party to the contract and the date a reassessment is required.

All other mandatory exceptions in IFRS 1 were not applicable because there were no significant differences in management"s application of Nigerian SAS in these areas.

5 Revenue	31/12/2012 N'000	31/12/2011 N'000
Revenue from the sale of sugar - 50kg	105,236,556	106,208,776
Revenue from the sale of sugar - Retail	325,860	185,251
Revenue from the sale of molasses	90,062	116,480
Freight income	1,215,576	708,135
	106,868,054	**107,218,642**

Revenue comprises of both domestic and export sales.

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.

5.2 Geographical information

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

	31/12/2012 N'000	31/12/2011 N'000
Lagos	60,364,929	60,354,019
North	30,649,787	30,888,047
West	11,625,781	11,716,156
East	4,227,557	4,260,420
	106,868,054	**107,218,642**

5.3 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.

5.3.1 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.

5.3.2 Distributors

The company sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold 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.

5.3.3 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.

		31/12/2012 N'000	31/12/2011 N'000
6	**Cost of sales**		
	Raw material	75,595,084	82,781,589
	Direct labour cost	342,003	264,853
	Direct overheads	5,718,829	6,812,926
	Other overheads	7,394	68,108
	Depreciation	804,739	750,049
	Fleet expenses	1,171,495	1,019,490
	Carriage	1,308,607	1,075,650
	Selling and marketing expenses	808,712	848,258
		85,756,863	**93,620,923**
7	**Administrative expenses**		
	Salaries and related staff cost	2,094,995	1,670,947
	Depreciation	854,161	731,381
	Utilities	208,684	195,224
	Rents	41,220	56,473
	Audit fees	32,000	28,600
	Management fee	2,114,306	-
	Directors' remuneration	40,000	37,774
	Impairment loss	631,150	163,757
	Others	862,280	261,658
		6,878,796	**3,145,814**
8	**Investment income**		
	Interest income on bank deposits	1,314,653	370,634
		1,314,653	**370,634**

Interest is earned on bank deposits at an average rate of 12 % p.a. on short term (30days) bank deposits.

9 Other income

	31/12/2012 N'000	31/12/2011 N'000
Insurance claims	-	1,759
Insurance claims on burnt assets	631,150	-
Sales of scrap materials	153,231	96,931
Profit from sale of property, plant and equipment	250	-
	784,631	**98,690**

10 Taxation

10.1 Income tax recognized in profit or loss

	31/12/2012 N'000	31/12/2011 N'000
Current Tax		
Income tax based on profit for the year	4,971,524	3,290,424
Education tax expense	371,843	248,583
In respect of prior years	-	42,599
	5,343,367	3,581,606
Deferred tax		
Deferred tax expense	191,896	(63,974)
	5,535,263	**3,517,632**

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.

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

	31/12/2012 N'000	31/12/2011 N'000
Profit before tax	16,331,679	10,921,229
Income tax expense calculated at 30 %	4,899,503	3,276,369
Education tax expense calculated at 2%	326,633	218,424
Effect of unutilised tax losses and tax offsets not recognised as deferred tax assets	-	(110,207)
Effect of previously recognised unutilised tax offsets not recognised as deferred tax assets.	228,792	118,585
Effect of expenses which are not deductible in determining profits	84,561	-
Effect of allowances which are not allowable in determining education tax	45,240	30,159
Others	(49,406)	60,288
Adjustments recognised in the current year in relation to the current tax of prior years	-	42,599
Income tax expense recognised in profit or loss	**5,535,263**	**3,517,632**

		31/12/2012 N'000	31/12/2011 N'000
10.3	**Income tax recognised in other comprehensive income**		
	Current tax		
	Deferred tax		
	Arising on income and expenditure on other Comprehensive income		
	Actuarial loss on gratuity scheme (note 21)	(28,688)	(75,078)
		(28,688)	(75,078)

		31/12/2012 N'000	31/12/2011 N'000
10.4	**Current tax liabilities in the statement of financial position**		
	Balance, beginning of the year	3,539,007	4,980,105
	Charge for the year (note 10.1)	5,343,367	3,581,606
	Payment made during the year	(3,473,808)	(5,022,704)
	Balance end of the year	**5,408,566**	**3,539,007**
10.4.1	**Current Tax Liabilities**		
	Income tax	4,971,524	3,290,424
	Education tax	371,843	248,583
	Provision in respect of under accruals in earlier years	65,199	-
		5,408,566	**3,539,007**
10.5	**Deferred taxation**		
	Balance, beginning of the year	2,837,360	2,976,412
	Charge for the year	163,208	(139,052)
	Balance, 31 December	**3,000,568**	**2,837,360**

The following are the major deferred tax liabilities and assets recognised by the Company and movements therein during the current and prior reporting period.

10.6 Deferred taxation

12/31/2012	Opening balance N'000	Recognized in profit or loss N'000	Recognised in Other Comprehensive Income N'000	Closing balance N'000
Deferred tax (asset) or liability in relation to:				
Property, plant and equipment	3,222,860	112,703	-	3,335,563
Allowance for doubtful debt	(151,878)	129,302	-	(22,576)
Provisions for employee benefit	(233,622)	(50,109)	(28,688)	(312,419)
	2,837,360	191,896	(28,688)	**3,000,568**
12/31/2011				
Deferred tax asset or liability in relation to:				
Property, plant and equipment	3,296,486	(73,626)	-	3,222,860
Allowance for doubtful debt	(172,558)	20,680	-	(151,878)
Provisions for employee benefit	(147,516)	(11,028)	(75,078)	(233,622)
	2,976,412	(63,974)	(75,078)	**2,837,360**

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The balance above is the deferred tax balances (after offset) for financial reporting purposes.

10.6 Unrecognised deductible temporary differences, unutilised tax losses and unused tax credits

	31/12/2012 N'000	31/12/2011 N'000
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: - deductible temporary differences on increase in deferred tax asset on gratuity and decrease in deferred tax liabilities on accelerated capital allowances	-	228,792
	-	228,792

11 Profit for the year is arrived at after charging:

	31/12/2012 N'000	31/12/2011 N'000
Impairment of property, plant and equipment	631,150	163,757
Depreciation of property, plant and equipment	1,658,899	1,481,430
Impairment loss recognised on trade receivables	75,254	44,469
Defined contribution plans	76,502	68,653
Gratuity Scheme - Current service and finance costs	262,658	148,366
Auditors remuneration	32,000	26,500

12 Earnings per share

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

Profit for the year	10,796,416	7,403,597
Earnings used in the calculation of basic earnings per share from continuing operations	10,796,416	7,403,597
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**12,000,000**	**12,000,000**
Basic and diluted EPS (kobo)	90	62

13 Property, Plant and Equipment

	Buildings ₦'000	Plant & Machinery ₦'000	Tools & Equipment ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Furniture & Fittings ₦'000	Capital Work in Progress ₦'000	TOTAL ₦'000
COST:								
Balance as at 1/1/2011 as previously reported	3,352,560	12,812,699	160,642	2,538,520	17,498	20,830	2,594,026	21,496,775
Prior year adjustment	1,458,311	(2,054,699)	(139,179)	(115,121)	(3,668)	(4,632)	(412,939)	(1,271,927)
IFRS adjustment	-	163,757	-	-	-	-	-	163,757
Balance as at 1/1/2011 as restated	4,810,871	10,921,757	21,463	2,423,399	13,830	16,198	2,181,087	20,388,605
Additions		59,492	16,342	1,038,477	4,213	19,110	1,281,495	2,419,129
Impairment		(163,757)						(163,757)
Balance as at 31/12/2011	**4,810,871**	**10,817,492**	**37,805**	**3,461,876**	**18,043**	**35,308**	**3,462,582**	**22,643,977**
Additions during the year	86,442	431,870	57,007	60,105	4,496	9,574	3,255,361	3,904,855
Re-classifications	32,017	1,973,407	224,630	-	508	-	(2,230,562)	-
Impairment	-	(1,071,517)	-	-	-	-	-	(1,071,517)
Balance, 31/12/2012	**4,929,330**	**12,151,252**	**319,442**	**3,521,981**	**23,047**	**44,882**	**4,487,381**	**25,477,315**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:								
Balance as at 1/1/2011-as previously restated	333,599	3,922,315	147,124	1,320,433	14,959	15,847	-	5,754,277
Prior year adjustment	171,973	(589,256)	(127,212)	(325,039)	(1,536)	(4,164)	-	(875,234)
Balance as at 1/1/2011 (restated)	505,572	3,333,059	19,912	995,394	13,423	11,683	-	4,879,043
Charge for the year	67,051	682,997	4,770	719,663	1,753	5,196	-	1,481,430
Balance as at 31/12/2011	572,623	4,016,056	24,682	1,715,057	15,176	16,879	-	6,360,473
Charge for the year	96,976	707,764	5,423	841,412	2,303	5,021	-	1,658,899
Impairment	-	(440,367)	-	-	-	-	-	(440,367)
Balance, 31/12/2012	**669,599**	**4,283,453**	**30,105**	**2,556,469**	**17,479**	**21,900**	**-**	**7,579,005**
NET BOOK VALUE:								
Balance, 1 Jan 2011	4,305,299	7,588,698	1,551	1,428,005	407	4,515	2,181,087	15,509,562
Balance, 31 Dec. 2011	**4,238,248**	**6,801,436**	**13,123**	**1,746,819**	**2,867**	**18,429**	**3,462,582**	**16,283,504**
Balance, 31 Dec. 2012	**4,259,731**	**7,867,799**	**289,337**	**965,512**	**5,568**	**22,982**	**4,487,381**	**17,898,310**

13.1 **Impairment loss recognized during the year**

During the third quarter of 2012, there was a fire incident that affected some items of plant and machinery. An impairment loss of N631,150,000 (1/1/2011: nil) was determined to be equal to the Net book value of the assets as at the time of the fire incident. The impairment has been charged to administrative expenses.

13.2 Capital work in progress of N2,230,562,000 has been transferred to the relevant classes of assets after the assets became available for use for their intended purpose during December 2012.

13.3 **Adjustments**

The amount described as prior year adjustment relates to the adjustment made to the balances as at 1/1/11, representing errors identified by management as a result of the complete overhaul and updating of the Company"s fixed asset register.

The amount described as IFRS adjustments relates to the adjustments described in Note 30

13.4 None of the Company's assets are pledged as security for any liabilities

14.

Inventories	**31/12/2012 N'000**	**31/12/2011 N'000**	**1/1/2011 N'000**
Raw materials	4,204,704	5,786,255	5,992,970
Packaging materials	16,214	38,337	72,610
Work-in-process	142,590	214,728	231,097
Finished goods	1,074,312	16,558,586	8,921,787
Chemicals and consumables	681,169	444,202	250,581
Spare parts	430,993	250,693	226,829
Goods - in- transit	7,480,321	4,654,264	9,894,752
	14,030,303	**27,947,065**	**25,590,626**

Goods in transit comprise raw materials N5,821,286 (2011:N4,012,758 and 2010:N9,794,007) and spare parts N1,659,035 (2011: N641,506 and 2010: N100,745).

14.1 Write down of inventory

During the third quarter of 2012, the cost of inventories destroyed by the fire incident was ascertained and written off from inventory and absorbed as an expense in the cost of sales account and comprised:

	N'000
Vitamin A	127,871
Packaging materials	47,023
Spare parts	8,400
	183,294

14.2 The cost of inventory recognized in profit or loss during the year is N75,595,084(12/2011:N82,781,589) inclusive of the inventory write down described at 14.1 above.

14.3 No inventory was pledged as security for any liability

15. Other assets	31/12/2012 N'000	31/12/2011 N'000	1/1/2011 N'000
Prepaid rent	135,267	219,102	142,181
Prepaid insurance	12,045	10,027	28,420
Others	158,364	14,981	1,609
Prepaid duty	144,423	-	-
	450,099	**244,110**	**172,210**
Current portion	**442,195**	**208,365**	169,559
Non-current portion	7,904	35,745	2,651
	450,099	**244,110**	**172,210**

15a Investments

This represents the investment in 2008 in Algerian land for the intended purpose of expansion of the Company's activities through an Algerian Company SPA Dangote Sucrerie Algerie.

Subsequent to the payment for the Land, the Algerian Government, without revoking the Algerian company's title to the Land, refused the siting of the proposed Refinery at the Port citing that the site is not suitable for the intended purpose. The company lost control over this company in late 2010 during the difficulties experienced in that country, and continues to account for the investment as an associate. There has been no change in the net assets of the company since early 2011.

16. Trade and other receivables

		31/12/2012	31/12/2011	1/1/2011
		N'000	N'000	N'000
Trade receivables		7,681,681	7,495,449	6,533,894
Allowance for doubtful debts		(507,983)	(506,033)	(575,192)
		7,173,698	**6,989,416**	5,958,702
Staff loans and advances		69,627	73,284	113,174
Advance payments to contractors		-	794,844	242,226
Insurance claim receivable in relation to burnt assets destroyed in fire	13.1	631,150	-	-
Other receivables		1,076,283	123,618	843,269
Amount due from related parties	24.3	15,893,891	13,398,194	16,048,892
		24,844,649	**21,379,356**	**23,206,263**

16.1 Trade receivables

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.

16.2 Age analysis of trade receivables that are past due but not impaired	31/12/2012	31/12/2011	1/1/2011
	N'000	N'000	N'000
above 30days	1,165,475	938,093	1,327,130
above 60 days	328,011	62,925	11,935
above 90 days	-	130,405	15,576
Age analysis of trade reeivables that are past due and impaired			
Above 365 days	507,983	506,033	575,192

Full impairment has been made in the accounts in respect of past due obligations for more than 365 days of N507.983million (2011: N506. 031 million; 2010: N575.192 million)

Allowance for credit losses	31/12/2012 N'000	31/12/2011 N'000
Balance brought forward	506,033	575,192
Impairment losses recognised on receivables	75,254	44,402
Amounts recovered during the year	(73,304)	(113,561)
	507,983	**506,033**

16.3 Concentration risk

About 23% 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.

17. 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:

	31/12/2012 N'000	31/12/2011 N'000	1/1/2011 N'000
Cash in hand	12,725	10,795	
Bank balances	3,450,717	6,085,244	3,440,257
Short term deposits	21,500,000	-	2,800,000
	24,963,442	**6,096,039**	**6,240,257**

18 Share capital

The balance in the share capital account was as follows:

	31/12/2012	31/12/2011	1/1/2011
(a) Authorised: 12,000,000,000 Ordinary shares of 50k each	**6,000,000**	**6,000,000**	**6,000,000**
(b) 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**

19 Share premium

Authorised: 12,000,000,000 ordinary shares of 50k each issued at 52.6710k premium	**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.

20 Retained earnings

	31/12/2012 N'000	31/12/2011 N'000
Balance at the beginning of the year (as restated). See note c	26,813,185	26,769,129
Profit for the year	10,796,416	7,478,675
Other comprehensive income	(60,966)	(234,619)
Payment of dividend	(3,600,000)	(7,200,000)
	33,948,635	**26,813,185**

(a) In June 2012, a dividend of 30 kobo per share (total dividend N3,600 million) was paid to holders of fully paid ordinary shares. In May 2011, the dividend paid was 60 kobo per share (total dividend N7,200 million).

(a) In respect of the current year, the directors propose that a dividend of 50k per share be paid to shareholders subject to approval by shareholders at the Annual General Meeting and this has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members after approval. The total estimated dividend to be paid is N6 billion.

(b) The Company carried out a detailed review of its fixed assets, including a verification of all its existing assets and the upgrading of a full fixed asset register for the Company. The restatement relates to the net effect of all adjustments raised to correctly restate the opening cost and the accumulated depreciation of the Company's assets as at 1 January 2010 and to the change of the accounting framework as required under IFRS and as disclosed in note 30.

21 Retirement benefit obligation

21.1 Defined contribution plans

The company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of trustees.
The employees contribute 7.5% of their gross salary (basic, housing and transport) while the company contributes an equal amount on behalf of the employees to the same plan.

The obligation of the company as the employer with respect to the retirement benefit plan is recognised as an expense in the statement of profit or loss and amounts to N76.5 million.

21.2 Defined benefit plans

The Company operates defined benefit plans for all qualifying employees. Under the plan, the employees are entitled to retirement benefits which vary according to length of service. No other post-retirement benefits are provided for these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2011 by the Company. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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.

The most recent Actuarial Valuation was carried out in 2013 using the staff payroll of 31 December 2012 and 2011 respectively.

21.2a **Financial Assumptions**

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

	as at 2012 %	as at 2011 %
Long term average discount rate (p.a)	13	13
Average pay increase (p.a)	12	12
Average rate of inflation (p.a)	10	10

21.3 Demographic assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 tables, published jointly by the institute and the Faculty of Actuaries in the UK

Sample age	Number of deaths in a year of age out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age band	Rate (%)
Less than or equal to 30	4.0
31-39	5.0
40-44	5.5
45-50	3.0
51-60	2.0

21.4 Movement in gratuity	2012 N'000	2011 N'000
Balance as at 1 January	915,570	585,533
Current service charge	141,419	84,624
Finance cost	121,239	63,742
Actuarial losses - hange in assumption	-	70,995
Actuarial losses - experience	89,654	163,624
Benefits paid from plan	(7,009)	(52,948)
Balance as at 31 December	**1,260,873**	**915,570**

As at the date of the valuation, no fund has been set up from which payments can be disbursed. The Company expects to settle its obligations out of its existing reserves

21.5 Retirement benefit plans	31/12/2012 N'000	31/12/2011 N'000
Amounts recognised in profit or loss in respect of the defined benefit plans are as follows.		
Current service cost	141,419	84,624
Interest on obligation	121,239	63,742
	262,658	**148,366**

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

21.5 Retirement benefit plans	31/12/2012 N'000	31/12/2012 N'000
Actuarial losses recognised in the year	89,654	234,619
Tax impact (see note 10)	(28,688)	(75,078)
	60,966	**159,541**

The expense for the year is included in the employee benefits expense in profit or loss. Of the expense for the year, N262,658 (31/12/2011: N148,366) has been included in profit or loss as administration expenses. The actuarial loss of N89,654 (2011: N234,619) is recognised in the statement of comprehensive income, net of the tax effect identified in Note 10.

21.6 Retirement benefit plan funding

The gratuity scheme of the Company is not funded.

22 Trade and other payables		**31/12/2012**	**31/12/2011**	**1/1/2011**
Trade payables		21,418,034	20,737,014	19,588,013
Accruals & sundry creditors		973,098	717,154	478,529
Other credit balances (see note (a) below		2,856,329	2,487,268	1,804,770
Due to related entities (see note on related party)	24.4	1,864,823	2,447,639	2,188,240
		27,112,284	**26,389,075**	**24,059,552**

(a) **Other credit balances is made up of the following:**

Other suppliers' accounts	916,811	962,444	233,549
VAT payable	641,672	401,724	203,171
Advance payment for refined sugar	924,245	794,844	842,952
Contractors account	329,795	173,522	380,362
Other creditors	43,806	154,734	144,736
	2,856,329	**2,487,268**	**1,804,770**

23 **Financial instruments**

23.1 **Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its capital structure.

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

At the reporting date, the Company does not have any interest bearing liabilities as its overall strategy is to minimise cost of funds to the barest minimum.

Gearing ratio

The gearing ratio at year end is as follows:

	31-Dec-12 N'000	31-Dec-11 N'000
Debt	-	-
Equity	46,269,159	39,133,709
Debt to equity ratio	**0%**	**0%**

i. Debt is defined as both current and non- current borrowings.

ii. Equity includes all capital and reserves of the Company that are managed as capital.

23.2 Categories of financial instruments

Assets	**31/12/2012 Loans and receivables N'000**	**31/12/2011 Loans and receivables N'000**	**1/1/2011 Loans and receivables N'000**
Trade and other receivables	24,844,649	21,379,356	23,206,263
Cash and cash equivalents	24,963,442	6,096,039	6,240,257
	49,808,091	**27,475,395**	**29,446,520**

23.3 Liabilities	**Other Financial Liability**	**Other Financial Liability**	**Other Financial Liability**
Employee benefits	1,260,873	915,570	585,533
Trade and other payables	25,214,941	24,877,077	22,738,071
	26,475,814	**25,792,647**	**23,323,604**

23.4 **Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

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

23.6 Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are affected by interest rate risk and foreign exchange currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables and trade and other payables. Market risk exposures are measured using sensitivity analysis.

23.6.1 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 Company"s exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding as the reporting date. Its cash and cash equivalents (fixed deposits) with financial institutions have fixed interest rates.

23.6.2 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 Company"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 Company's treasury unit.

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

Monetary assets (USD)	31/12/2012 N'000	31/12/2011 N'000
Bank balance	291,457	6,560
	291,457	**6,560**
Monetary liabilities (USD)		
Trade and other payables ($)	21,418,034	20,737,014
	21,126,577	**20,730,454**

The company is mainly exposed to fluctuation in exchange rates with the US dollar.

The following table details the company's sensitivity to a 10 per cent increase and decrease in the Naira against the US Dollar 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit where the Naira strengthens 10 per cent against the relevant currency. For a 10 per cent weakening of the Naira against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative

	31/12/2012 N'000	31/12/2011 N'000
Impact on reported profit		
Naira strengthens by 10% against Dollar	(2,170,949)	(2,074,357)
Naira weakens by 10% against Dollar	2,170,949	2,074,357

Credit risk management

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

The Company 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 company 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.

23.7.1 Trade receivables (see note 14)

Concentration of risk

About 23% of the trade receivables are due from a single customer whose credit history is good. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate snf individual customers.

23.7.2 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company"s treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits 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.

23.7.3 Maximum exposure to credit risks

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

	31/12/2012 N'000	31/12/2011 N'000	1/1/2011 N'000
Trade receivables	7,173,698	6,989,416	5,958,702
Other receivables	1,777,060	196,902	956,443
Deposits with banks	24,950,717	6,085,244	6,240,257
Amount due from related party	15,893,891	13,398,194	16,048,892
	49,795,366	**26,669,756**	**29,204,294**

23.8 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 provides 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.

A Maturity analysis of financial instruments

The maturity profile of the Company's recognized financial instruments is detailed below:

		12/31/2012	
	Total	0-3 months	3-6 months
	N'000	N'000	N'000
Financial assets			
Trade receivables (note 16)	7,173,698	7,173,698	-
Other receivables	17,670,951	17, 670,951	-
Cash and Cash equivalents -Short term deposits	21,500,000	21,500,000	-
- Others	3,463,442	3,463,442	-
	49,808,091	**49,808,091**	-
Financial liabilities			
Trade payables	21,418034	21,418,034	-
Other payables	5,057,780	5,077,780	-
	26,475,814	**26,475,814**	-

23.9 **Liquidity risk management**

Maturity analysis (continued)

		12/31/2011	
	Total	0-3 months	3-6 months
Financial assets	N'000	N'000	N'000
Trade receivables	6,989,416	6,989,416	-
Other receivables	14,389,940	14,389,940	-
Cash and Cash equivalents - Short term deposits	-	-	-
-Others	6,096,039	6,096,039	-
Financial liabilities	**27,475,395**	**27,475,395**	-
Trade payables	20,737,014	20,737,014	-
Other payables	5,055,633	5,055,633	-
	25,792,647	**25,792,647**	-

23.9 Liquidity risk management

Maturity analysis (continued)

		1/1/2011	
	Total	0-3 months	3-6 months
Financial assets	N'000	N'000	N'000
Trade receivables	5,958,702	5,958,702	-
Other receivables	17,247,561	17,247,561	-
Cash and cash equivalents - Short term deposits	2,800,000	2,800,000	-
- Others	3,440,257	3,440,257	-
Financial liabilities	**29,446,520**	**29,446,520**	-
Trade payables	19,588,013	19,588,013	-
Other payables	3,735,591	3,735,591	-
	23,323,604	**23,323,604**	-

23.10 Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

	Book Value			Fair value		
	31/12/2012	31/12/2011	1/1/2011	31/12/2012	31/12/2011	1/1/2011
Financial Asset						
Trade and other receivables	24,844,649	21,379,356	23,206,263	24,844,649	21,379,356	23,206,263
Cash and cash equivalents	24,963,442	6,096,039	6,240,257	24,963,442	6,096,039	6,240,257
Financial Liabilities						
Trade and other payables	25,214,941	24,877,077	22,738,071	25,214,941	24,877,077	22,738,071
Employee benefits	1,206,873	915,570	585,533	1,260,873	915,570	585,533

24 Related party information

24.1 Identity of related parties

Related parties	Nature of related party transactions
Dangote Transport Limited	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	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 Company Plc	Fellow subsidiary- Exchange of spare parts
Dangote Industries Limited (see note 24.3)	Parent company that provides management support and receives 2% of turnover as management fees
Green view Development Company Limited	Fellow subsidiary - Property rentals
Key management personnel	Key management personnel (see note 24.4)
Dangote Nigeria Clearing Limited	Fellow subsidiary - clearing services
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Bluestar Investments U.K	Fellow subsidiary, supplier of inventory
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	Fellow subsidiary- Supplies empty sacks for bagging finished sugar

24.2 Effective 30 September 2012, a majority shareholding in Dangote Flour Mills Plc, and its subsidiaries Dangote Noodles Limited, Dangote Pasta Limited and Dangote Agrosacks was acquired by Tiger Brands, an unrelated South African Company. Alhaji Aliko Dangote retains 10% of the controlling interest in the Company, and sits on the Board of the new Companies as a Director, in his personal capacity. Thus, these companies still meet the definition of a related party as the Companies are under the significant influence of the ultimate controlling party of the Company.

24.3 During the year, the Company entered into the above trading transactions with related entities as below:

	12/31/2012	12/31/2011
Fellow subsidiaries		
Dangote Agrosacks	1,338,309	1,403,681
NASCON	101,810	146,027
Dansa Foods Limited	188,730	409,980
	1,628,849	**1,959,688**

24.3 The following balances were outstanding from related parties at the end of the reporting period

	Amounts owed to related parties		
	12/31/2012	12/31/2011	1/1/2011
Dangote Transport Limited	-	748,462	748,993
Dangote Textile Industries Limited	-	3,465	3,465
Dansa Foods Limited	1,990	1,882	1,882
Dangote Nigeria Clearing Limited	18,522	18,522	-
Nascon plc	-	-	3,572
Savannah Sugar Company Plc	68,126	68,126	71,163
Dangote Flour Mills Plc	148,694	100,883	61,295
Dangote Pasta Limited	56,153	44,887	27,370
Dangote Industries Limited	15,562,355	12,399,651	15,118,350
Dangote Noodles Limited	8,014	12,316	12,802
Dangote Group Transport Maintenance	30,037	-	-
	15,893,891	**13,398,194**	**16,048,892**

24.4 The following balances were due to related parties at the end of the reporting period (see note 22).

	Amounts owed to related parties		
	12/31/2012	12/31/2011	1/1/2011
Dangote Cement Plc	1,327,913	1,692,019	1,768,878
Greenview Development Company Limited	162,390	195,561	179,553
Dangote Agrosacks Nigeria Limited	26,919	298,844	1,335
Bluestar Investments U.K	238,473	238,474	238,474
National Salt Company PLC	14,356	22,741	-
DIL Strategic Supplies	94,772	-	-
	1,864,823	**2,447,639**	**2,188,240**

24.5 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) entered into an agreement with Dangote Sugar Refinery Plc on management and technical services dated 2 January 2006. The agreement is for an initial period of five years with an option to renew for a further period of five years subject to termination by either party in accordance with the terms of the agreement. As consideration for the services provided by D.I.L, a sum equivalent to 2% of the net revenue from sale of sugar from Dangote Sugar Refinery Plc for each month will be paid to D.I.L. The agreement has been renewed.

The amount due from the holding company represents current account balances which have been paid in February 2013.

Related party information

24.6 Loans to and from related parties

There are no loans from or to related parties

24.7 Key Management personnel

LIST OF DIRECTORS OF DSR

1	ALH. ALIKO DANGOTE (GCON)	CHAIRMAN
2	ENGR. ABDULLAHI SULE	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	MR. SULEIMAN OLARINDE	"

LIST OF KEY MANAGEMENT STAFF

1	ENGR. ABDULLAHI SULE	MD/CEO
2	MR. MAYROUD EL-SUNNI	ED - ENGR. & OPRS
3	ENGR. BRAIMAH OGUNWALE	GENERAL MANAGER, REFINERY
4	MR. ABDULSALAM WAYA	HEAD, SALES/MARKETING
5	MR. ALI ANGO	HEAD, TREASURY
6	MR. MURTALA ZUBAIR	AGM, HR/ADMIN
7	MR. BABATUNDE AJAO	HEAD, FINANCIAL CONTROLS
8	MR. CHRIS OKOH	AG. PROCESS MANAGER

24.8 DIRECTORS AND KEY MANAGEMENT PERSONNEL
The remuneration of directors and other members of key management personnel during the year comprised short term benefits of N83.005 million (2011: N80.737 million)

24.9 DIRECTORS

	DEC 2012 N'000	DEC 2011 N'000
Directors' emoluments comprise:		
Fees	2,100	2,100
Salaries	31,144	21,997
Others	4,500	3,800
	37,744	**27,897**
Emoluments of the highest paid Director were	**31,144**	**21,997**

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

N'000			DEC 2012 Number	DEC 2011 Number
0	-	5000	8	8
20000	-	25000	-	1
26000	-	31000	1	-
38000	-	43000	-	-

24.10 EMPLOYEES

	DEC 2012	DEC 2011
Average number of persons employed during the year:		
Management	21	19
Senior staff	227	227
Junior staff	411	406
	659	**652**
Aggregate payroll costs:		
Wages, salaries, allowances and other benefits	1,795,836	1,799,188
Provision for gratuities	323,846	339,965
Pension cost	76,502	68,653
	2,196,184	**2,207,806**

The number of employees with gross emoluments within the bands stated below are:

N'000			Number	Number
401	-	600	18	17
601	-	800	24	22
801	-	1000	59	58
1001	-	2000	347	345
2001	-	above	211	210
			659	**652**

25 **Capital commitments**

As at 31 December 2012, there were capital commitments in respect of the Lagos factory expansion which amounted to N6.0 billion (2011: N4.4 billion; 2010; N203.7 million).

As at 31 December 2012, there were capital commitments in respect of the Lagos factory expansion which amounted to N6.0 billion (2011: N4.4 billion; 2010; N203.7 million).

26 **Contingent assets and Contingent liabilities**

The Company is currently subject to a litigation case. Based on the Company"s solicitor"s advice, the directors assess that there is a possible liability arising from a joint obligation out of the case of an amount not exceeding N10 million.

The Company has other commitments under its contracts to purchase minimum quantities of raw sugar. The amount of commodities contracts remaining unfulfilled as at 31 December 2012 was N3.5 billion (2011: 71.75 billion)

Contingent assets

An insurance claim has been made for loss of profits and for destruction of assets as a result of a fire in the factory in July 2012. The amount of the claim is still to be agreed by the insurer.

The Company"s directors have assessed that in all likelihood they will receive the majority of the amount claimed but they are virtually certain of receiving at least the net book value of those assets destroyed and the Company has therefore recognised a receivable for this amount. The additional insurance proceeds will be recognised once the amount is agreed with the insurance company.

27 Event after the reporting period

27.1 Proposed Dividends

At the Annual General Meeting held in May 2012, the shareholders approved that dividend of 30k be paid to shareholders (total value N3.6 billion) for the year ended 31 December 2011.

In respect of the current year, the Board of Directors during a meeting held of 27 March 2013, proposed that a dividend of 50k per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements. The total estimated dividend to be paid is N6 billion.

27.2 Acquisition of a Savannah Sugar Company Limited

The Company purchased a 95% interest in Savannah Sugar Company Limited in January 2013. No other material events occurred after the reporting period that should be disclosed in the financial statements as at 31 December 2012.

In line with the Company"s backward integration plans, it acquired 95% of the issued ordinary share capital of Savannah Sugar Company Limited from Dangote Industries Limited, its ultimate parent company, effective 16 January 2013, having obtained the approval of the Securities and Exchange Commission.

Savannah Sugar Company Limited is involved in the business of growing and milling sugar cane and refining raw sugar to produce refined sugar (finished product) and molasses (by-product). It is the only operating fully integrated sugar company in Nigeria, with 32,000 hectares of land including 5,200 hectares currently under cultivation and a milling plant with a crushing capacity of 4000 metric tonnes of cane per day (MTPD).

A purchase price of N1.50 per share, translating to a total purchase consideration of N3,214.923 million was agreed between the two parties, in exchange for the net assets of Savannah Sugar Company, which were N 4,541.176million based on the unaudited management accounts of that company as at 30 September 2012

Management are of the view that the purchase consideration represents a conservative value for the investment as the current market value of the shares of Savannah (though not listed), is expected to be much higher than the cost recognised.

28 Approval of financial statements

The board approved the financial statements during its meeting of 27 March 2013.

29

Effect of transition to IFRS on the Statement of Financial Position

	Notes	Previous GAAP N'000	Prior year adjustments	12/31/2011 Effect of transition to IFRS N'000	IFRS N'000	Previous GAAP N'000	Prior year adjustments	1/1/2011 Effect of transition to IFRS N'000	IFRS N'000
ASSETS									
Property, plant and equipment	a	16,504,479	(220,936)	(40)	16,283,503	15,742,539	(396,693)	163,717	15,509,563
Other assets	b	-	-	35,745	35,745	-	-	2,651	2,651
Investment		-	864,647	-	864,647	-	972,337	-	972,337
Non-current assets		**16,504,479**	**643,711**	**35,705**	**17,183,895**	**15,742,539**	575,644	**166,368**	**16,484,551**
Current assets									
Inventories	a(ii)	23,934,307	-	4,012,758	27,947,065	15,960,376	-	9,630,250	25,590,626
Trade and other receivables	b,c	-	(864,647)	8,845,812	7,981,165		(972,337)	8,129,708	7,157,371
Trade debtors	b	6,989,416	-	(6,989,416)	-	5,958,702	-	(5,958,702)	-
Other debtors and prepayments	b,c	2,100,506	-	(2,100,506)	-	2,343,216	-	(2,343,216)	-
Other assets	b,c	-	-	208,365	208,365		-	169,559	169,559
Intercompany receivables		13,398,194	-	-	13,398,194	16,048,892	-	-	16,048,892
Cash and cash equivalents		6,096,039	-	-	6,096,039	6,240,257	-	-	6,240,257
Current assets		**52,518,462**	(864,647)	**3,977,013**	**55,630,828**	**46,551,443**	(972,337)	**9,627,599**	**55,206,705**
Total assets		**69,022,941**	(220,936)	**4,012,718**	**72,814,723**	**62,293,982**	(396,693)	**9,793,967**	**71,691,256**
EQUITY									
Share capital		6,000,000	-	-	6,000,000	6,000,000	-	-	6,000,000
Share premium		6,320,524	-	-	6,320,524	6,320,524	-	-	6,320,524
Retained earnings	d	27,170,991	(220,936)	(136,867)	26,813,188	28,574,513	(396,693)	(1,408,691)	26,769,129
Total equity		**39,491,515**	(220,936)	**(136,867)**	**39,133,712**	**40,895,037**	**(396,693)**	**(1,408,691)**	**39,089,653**
LIABILITIES									
Employee benefits	e	778,740	-	136,827	915,567	491,722	-	93,811	585,533
Deferred tax liabilities	j	2,837,360	-	-	2,837,360	1,661,572	-	1,314,840	2,976,412
Non-current liabilities		**3,616,100**	-	**136,827**	**3,752,927**	**2,153,294**	-	**1,408,651**	**3,561945**
Bank Overdraft						-			-
Current tax liabilities		3,539,007	-		3,539,007	4,980,105	-	-	4,980,105
Trade and other payables	f	-	-	23,941,439	23,941,438	-	-	21,871,313	21,871,313
Trade creditors	f	16,724,255	-	(16,724,256)	-	9,794,006	-	(9,794,006)	-
Other creditors	f	3,204,425	-	(3,204,425)	-	2,283,300	-	(2,283,300)	-
Intercompany payables		2,447,639		-	2,447,639	2,188,240	-	-	2,188,240
Current liabilities		**25,915,326**	-	**4,012,758**	**29,928,084**	**19,245,651**	-	**9,794,007**	**29,039,658**
Total liabilities		**29,531,426**	-	**4,149,585**	**33,681,011**	**21,398,945**	-	**11,202,658**	**32,601,603**
Total equity and liabilities		**69,022,941**	**(220,936)**	**4,012,718**	**72,814,723**	**62,293,982**	**(396,693**	**9,793,967**	**71,691,256**

30 A **Reconciliation of equity**

	Notes	As at 31/12/2011	As at 1/1/2011
		₦'000	N'000
Total equity under previous GAAP		**39,491,515**	**40,895,037**
Correction of error on depreciation charge	i	(220,936)	(396,693)
		39,270,579	40,498,344
Derecognition of an item of PPE	a(ii)	(40)	(40)
Additional provision for retirement benefit liability	e	(136,827)	(93,811)
Additional deferred tax liability		-	(1,314,840)
Total adjustment to equity due to transition to IFRS		**(136,867)**	**(1,408,691)**
Total equity under IFRS		**39,133,712**	**39,089,653**

30 B Effect of IFRS transition on statement of profit or loss and other comprehensive income for the year ended 31 December 2011

		12/31/2011		
	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
		N'000	N'000	N'000
Revenue		106,510,507	708,135	107,218,642
Cost of sales		(92,777,191)	(843,732)	(93,620,923)
Gross profit		**13,733,316**	**(135,597)**	**13,597,719**
Administrative expenses	kge	(3,717,580)	571,766	(3,145,814)
Other gains and losses	hk	538,483	(439,793)	98,690
Investment income	h		370,634	370,634
Finance cost	g	(347)	347	-
Profit / (Loss) before tax		**10,553,872**	**367,357**	**10,921,229**
Income tax expense		(3,442,554)	(75,078)	(3,517,632)
Profit / (Loss) for the year		**7,111,318**	**292,279**	**7,403,597**

30C **Effect of IFRS adoption on statement of cash flows:**

Note		Previous GAAP	Effect of transition	IFRS
	Net cashflow from operating activities	9,104,624	(347)	9,104,277
	Net cash flows from investing activities	(2,048,495)	-	(2,048,495)
		7,056,129	(347)	7,055,782
	Net cash flows used in financing Activities	(7,200,347)	(347)	(7,200,800)
		(144,218)	-	(144,218)
	Cash and cash equivalent at 1/11/11	6,240,257	-	6,240,257
	Cash and cash equivalent at 31/12/11	**6,096,039**	-	**6,096,039**

Under previous GAAP, interest paid was classified as a cash flow from financing activities. IFRS provides a choice as to how such cash flows are classified provided that the classification is consistently applied from period to period. Management has decided that cash flows from interest should be classified as operating activities. The effect of the change is a reclassification of N347,000 from net cash flows used in financing activities to net cash flows from operating activities.

30D **Notes to IFRS 1 reconciliations**

a **Property, Plant and Equipment.**

i **Reclassification from inventory to Property, plant and equipment**

Under Nigerian GAAP, major items of spares, which qualify as property, plant and equipment under IAS 16, were included in inventory. Under IFRS based on IAS 16, these inventory items of 2011 (1/1/2011: N163.757 million) have been reclassified to Property Plant and Equipment.

i. **Derecognition of cost that don't qualify as property, plant and equipment.**

Under Nigerian GAAP, certain items that do not qualify for recognition as property, plant and equipment were capitalised, these assets with book value of 2011: (1/1/2011: N40,000) have been derecognised and charged against retained earnings.

b **Other assets**

Under Nigerian GAAP, prepayments that do not qualify as a current assets were included in current assets. In line with IAS 1, prepayments of 31/12/2011: N37.745 million (1/1/2011: N2.651 million) have been reclassified to non-current assets.

c **Trade and other receivables**

Under Nigerian GAAP, trade debtors and other debtors and prepayments are line items on the statement of financial position. Under IFRS, in line with IAS 1.55 trade debtors (less allowance for doubtful debts) of N6,989.416 million (1/1/2011: N5,958.7 million) has been reclassified as trade receivables. Other debtors and prepayments N2,100.506 million (1/1/2011: N1,370.879 million) was reclassified as other receivables. However, other receivables balance was reduced by the reclassification of prepayments N244.110 million (1/1/2011: N172.210 million) to other assets

d **Retained earnings**

Retained earnings as at 1/1/2011 is debited with the derecognition of costs that do not meet property, plant and equipment of N40,000,and debited with the additional provision for employee benefits of N93.811 million, and the underprovided deferred tax liability of N1.314 million.

Retained earnings as at 31/12/2011 is debited with the derecognition of costs that don"t meet property, plant and equipment of N40,000 and debited with the additional provision for employee benefits of N136.827 million.

e **Employee benefits**

Under Nigerian GAAP, the provision for defined benefit retirement benefit obligation was not based on actuarial computations. Under IFRS, determining the retirement benefit obligation of a defined benefit scheme is based on actuarial computations using the projected unit credit unit method, the additional provision recognised is N93.811 million at 1/1/2011 and N136.827 million at 31/12/2011. Under IFRS actuarial gains and losses are recognised in the Statement of Comprehensive Income and the service cost and finance costs are recognised in profit or loss. The net difference in the charge to profit or loss for the year ended 31/12/2011 is N191.599 million.

f **Trade and other payables**

Under Nigerian GAAP, trade creditors and other creditors and accruals are presented as a separate line item on the statement of financial position. Under IFRS, in line with IAS 1, trade creditors and other creditors and accruals are presented as trade and other payables

g **Administrative expenses**

Under Nigerian GAAP, bank charges of N347,000 were presented as finance costs in the profit and loss statement. Under IFRS, this amount has been reclassified to administrative expenses as the Company does not have borrowings.

h **Other income**

Under Nigerian GAAP, other income balance of N538.483 million included interest income from bank deposits of N370.634 million which is now presented as a separate line item on the statement of profit or loss in line with IAS 1.

i **Prior year adjustments**

During the year, the Company re-constructed its fixed asset register. During this process, management identified significant errors in the carrying value of PPE as previously stated under NGAAP. Adjustments have been made to the opening NGAAP statement of financial position to reflect the correction of these errors in arriving at the deemed cost of the assets adopted under IFRS (see note 13). The related adjustment to the depreciation charge of 2011 was N175.758 million to reduce the charge of N1,657.00 million (as previously reported) to N1,481.00 million (as re-stated).

j **Prior year adjustment of 2011**

In 2011, under Nigerian GAAP, a prior year adjustment was recognised. The company had been using a profit and loss approach for the computation of the deferred taxation liability. In 2011 there was a recomputation done based on the liability method which gave rise to an additional deferred tax liability of N1,314.00 million. Under IFRS this adjustment was adjusted against opening Retained earnings at 1 January 2011.

k Income relating to delivery charges has been reclassified from Other Income and from a credit against freight charges in Administrative expenses to Revenue and the associated freight operating costs have been reclassified to cost of sales. Accordingly, the net amount reclassified from Administrative expenses and Other Income was N311.355 million.

	Dec-12 N'000	%	Dec-11 N'000	%
Sales	106,868,054		107,218,642	
Other income	2,099,284		469,324	
	108,967,338		107, 687,966	
Bought-in-materials and services:				
- Imported	(86,544,395)		(89,917,698)	
- Local	(2,358,336)		(3,818,429)	
Value added	**20,064,607**	**100**	**13,951,839**	**100**
Applied as follows:				
To pay employees:				
Salaries, wages and other benefits	2,134,995	11	1,708,721	12
To pay Government:				
- Income tax	4,971,524	25	3,290,424	23
- Education tax	371,843	2	248,583	2
- Prior years	-	-	42,599	-
growth and payment of dividend:				
- Deferred taxation	191,896	1	(63,974)	-
- Depreciation	1,658,899	8	1,481,430	11
- Profit for the year	10,796,416	53	7,403,597	53
- Other comprehensive loss for the year	(60,966)	-	(159,541)	(1)
	20,064,607	**100**	**13,951,839**	**100**

31 DECEMBER	IFRS Dec-12 N'000	IFRS Dec-11 N'000	IFRS Dec-10 N'000	NIG GAAP Dec-09 N'000	NIG GAAP Dec-08 N'000
Fixed assets	17,898,310	16,283,504	15,509,562	16,696,409	13,755,535
Investment	864,647	864,647	972,337	968,125	874,255
Other	7,904	35,745	2,651	-	-
Net current assets	31,759,739	25,702,743	26,167,048	26,003,782	19,292,413
	50,530,600	**42,886,639**	**42,651,598**	**43,668,316**	**33,922,203**
Deferred taxation	(3,000,568)	(2,837,360)	(2,976,412)	(1,452,929)	(907,815)
Employee gratuity	(1,260,873)	(915,570)	(585,533)	(602,590)	(387,190)
	46,269,159	**39,133,709**	**39,089,653**	**41,612,797**	**32,627,198**
Capital and reserves					
Share capital	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Share premium	6,320,524	6,320 ,524	6,320,524	6,320,524	6,320,524
Revenue reserve	33,948,635	26,813,185	26,769,129	29,292,273	20,306,674
	46,269,159	**39,133,709**	**39,089,653**	**41,612,797**	**32,627,198**

TURNOVER AND PROFIT	IFRS Dec-12 N'000	IFRS Dec-11 N'000	NIG GAAP Dec-10 N'000	NIG GAAP Dec-09 N'000	NIG GAAP Dec-08 N'000
Turnover	**106,888,054**	**107,218,642**	**89,980,499**	**82,395,712**	**80,671,383**
Profit before taxation	16,331,679	10,921,229	16,146,930	19,587,423	30,151,378
Profit after taxation	10,796,416	7,403,597	11,282,240	13,185,599	21,871,047
Per share data (kobo):					
Earnings per share (Kobo):					
Basic	90	62	94	110	182
Earnings per share (Kobo):					
Annualised	180	62	94	110	182
Earnings - diluted	-	-	-	-	182
Net assets	386	326	326	347	272

Year	Authorized [N'000]		Authorised ['000]	Issued & Fully Paid Up [N'000]		Issued &Fully Pd ['000]	Consideration
	Increase	Cumulative	No. of Shares	Increase	Cumulative	No. of Shares	
27-12-04	50,000	50,000	50,000	500	500	500	Cash
30-06-06	0	50,000	50,000	49,500	50,000	50,000	Scheme Shares
26-07-06	5,950,000	5,000,000	12,000,000	4,950,000	5,000,000	10,000,000	Bonus & Stock Split from N1.00 to 50k
27-03-08	0	5,000,000	12,000,000	1,000,000	6,000,000	12,000,000	Bonus

The Company has been declaring Dividend since it became a public Company in year 2007. Currently the dividend account indicates that some dividend warrants have not been presented to the Bank for payment, while others were returned to the Registrar unclaimed because the addresses have changed or could not be traced.

Financial Year	Dividend No	Final or Interim	Total Dividend	Net Amt Unclaimed as at 31/12/12
11/04/2007	1	Final	11,388,819,816.78	4,420,660.00
27/04/2007	2	Interim 1	3,433,139,219.03	1,935,520.00
07/09/2007	3	Interim 2	3,257,223,236.85	6,556,000.00
31/10/2007	4	Interim 3	3,192,370,844.23	2,887,470.00
09/04/2008	5	Half Year Interim	5,000,000,000.00	6,066,600.00
08/09/2008	6	Final	10,200,000,000.00	22,177,910.00
03/07/2009	7	Final	3,780,817,535.25	45,306,320.00
30/07/2010	8	Final	10,800,000,000.00	208,784,350.00
25/05/2011	9	Final	6,480,000,000.00	35,269,060.00

We therefore request that all affected shareholders should fill the Shareholders information update and the mandate for e-dividend payment forms or please contact

THE REGISTRAR
ZENITH REGISTRARS LIMITED
PLOT 89A, AJOSE ADEOGUN STREET
VICTORIA ISLAND
LAGOS.

ZENITH REGISTRARS

RC: 510155

Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos. Tel: 01-2708930-4, Fax. 01-2704085

Website: www.zenithregistrars.com email: zenithregistrars@zenithbank.com

MANDATE FOR e-DIVIDEND PAYMENT

It is our pleasure to inform you that you can henceforth, collect your dividend through DIRECT CREDIT into your Bank Account. Consequently, we hereby request you to provide the following information to enable us process direct payment of your dividend (when declared) into your bank account.

Date (DD/MM/YYYY)

Please tick	
Dangote Sugar	

Surname/Company's Name

Other Names (for Individual Shareholder)

Present Postal Address

City

State

Email Address

Mobile (GSM) Phone Number

Bank Name

Branch Address

Bank Account Number

Bank Sort Code

Clearing House Number

I/WE hereby request that from now, all dividend warrant(s) due to me/us from my/our holding(s) in all the companies ticked be mandated to my/our Bank named above.

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation Number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

ZENITH REGISTRARS
RC: 510155

E-BONUS (DIRECT CREDIT TO CSCS ACCOUNT)

I/We have ______________ units of Dangote Sugar Refinery Plc shares

I/We hereby request and authorize you to credit my CSCS account (statement attached) with the BONUS accruing on my holdings

I/We indemnify the Directors of Dangote Sugar Refinery Plc against all claims and demands and any expense thereof) which may be made in consequence of your complying with this instruction:

Shareholder's Name: ______________________________________

SURNAME OTHER NAMES

Shareholder's Address: ______________________________________

____

Mobile Tel: ______________________________________

Date: ______________________________________

I hereby affirm that the information given above are true of me

____

Shareholder's Signature

Account No: ______________

CSCS Clearing House Number: ....

(Please attach copy of your CSCS statement)

Name of Stockbrokers ....

Website: www.zenithregistrars.com **Email:** zenithregistrars@zenithbank.com

PROXY FORM
DANGOTE SUGAR REFINERY PLC. RC: 613748
SEVENTH ANNUAL GENERAL MEETING TO BE HELD AT LATANA HALL, THE EKO HOTEL & SUITES LAGOS, ON MONDAY, 13TH MAY, 2013

I/We .... of .... being a shareholder of Dangote Sugar Refinery Plc. hereby appoint .... or failing him/her.......................... or........................... as my/our Proxy to act and vote for me/us on my/our behalf at the 7th Annual General Meeting to be held on Monday, 13th May, 2013 and at any adjournment thereof.

DATED THIS.................... DAY OF................ 2013

SHAREHOLDER'S SIGNATURE ....

	NO.	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not required).	1.	To receive the Statement of Accounts for the period ended December 31, 2012 together with the Directors' and Auditors' Reports thereon		
	2.	To declare a dividend		
	3.	To elect/re-elect Directors		
	4.	To approve the remuneration of the Directors		
	5.	To authorize the Directors to fix the remuneration of the Auditors.		
	6.	To elect the members of the Audit Committee		
		SPECIAL BUSINESS		
	7.	To consider and if thought fit, pass the following resolutions as Special Resolutions: . (a) That the Company acquires Savannah Sugar Company ltd for the purpose of backward integration in the business of the Company. (b) That the Board of Directors be and is hereby authorised to do all such acts or deeds and exercise all such powers as may be necessary for or incidental to achieving the objectives specified in the above resolution including but not limited to the appointment of relevant professional parties and execution of all documents and instruments.		
Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.				

This proxy form should NOT be completed and sent to the registered office if the member will be attending the meeting.

NOTE

i. A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy form should be deposited at the registered office of the Registrar (as in notice) not later than 48 hours before the meeting.

ii. In the case of Joint Shareholders, any of them may complete the form, but the names of all Joint Shareholders must be stated.

iii. If the shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an attorney duly authorised.

iv. The Proxy must produce the Admission Card sent with the Notice of the meeting to gain entrance to the meeting.

v. It is a legal requirement that all instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear appropriate stamp duty from the Stamp Duties office (not adhesive postage stamps).

Before posting this form, please tear off this part and retain it for admission to the meeting.

ADMISSION CARD

DANGOTE SUGAR

NAME AND ADDRESS OF SHAREHOLDER(S):

NUMBER OF SHARES HELD:

Please admit...................................... .... to the 7th Annual General Meeting of Dangote Sugar Refinery Plc, to be held at Latana Hall, The Eko Hotel & Suites Lagos, Plot 1415 Adetokunbo Ademola Street Victoria Island on Monday, 13th May, 2013

Signature of person attending: ....

- The Shareholder or his /her proxy should produce this admission card in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or her Nominee on the day of the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form should be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.

COMPANY SECRETARY

The Registrars
Zenith Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

DANGOTE SUGAR

HEAD OFFICE:
3rd Floor, GDNL Administrative Building, Terminal E Shed 20 NPA Wharf Complex, Apapa, Lagos
Tel: +2341734961 Fax: 324-1-5872106, 54544466
Email: SRefinery@dangote-group.com | website: www.dangote.com

FACTORY/REFINERY:
Shed 20, Apapa Wharf, Lagos