TABLE OF CONTENTS

1

PROFILE PRESENTATION

2

CORPORATE GOVERNANCE

3

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

F

FINANCIAL STATEMENTS

4

SHAREHOLDING AND OTHER INFORMATION

1

PROFILE PRESENTATION

ASHAKACEM PLC

AshakaCem Plc cement plant.

AshakaCem PLC is a cement manufacturing and marketing company focused on providing innovative solutions to the needs of our stakeholders. The Company has been participating in the economic growth and development of Nigeria for over three decades.

AshakaCem Plc was incorporated on August 7, 1974 and converted to a public company on September 7, 1974. Located in Gombe, the company started its operations in September 1979 and today, has depots in twelve locations and offices in Abuja, Kano and Lagos.

AshakaCem Plc is engaged in manufacturing and marketing of cement. We create value for our customers and assist them to achieve their business objective and goals. We are a specialized business partner with a growing and evolving team structure and a cumulative experience of over 30 years in the cement industry. The company is proud of its commercial expertise, its efficiency and technical skills. We are pleased to have achieved good result by conducting our business with uncompromising integrity. We are committed to actively participating in the development of our customers, employees, shaereholders and the community.

Prior to 1974, a substantial part of cement consumed annually in Nigeria was imported. In order to reverse this trend and to support the Federal Government's plan import substitution, proper harnessing of locally-available resources, infrastructural development, generation of employment and nation-wide industrial dispersal, AshakaCem Plc was initiated. The company was promoted by the Nigerian Industrial Development Bank Limited in partnership with the Federal Ministry of Industries, Blue Circle Industries Plc, UK now Lafarge Nig (UK) Limited, the Nigerian Bank for Commerce and Industry, Northern Nigeria Investment Limited and the Government of the then North-Eastern State (now Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States).

With the emergence of our foreign partners in 2002, the share structure changed as detailed:

a. Lafarge Cement UK Plc
   50.00%
   (Formerly Blue Circle Industries Plc)
b. Lafarge Nigeria Limited
   0.16%
c. Nigerian Public
   49.84 %.

Presently, the share structure is as follows;

A. Lafarge Nigeria (UK)
   58.61%
b. Nigerian Investors
   41.39 %.

In spite of challenges faced by the company, there has been significant improvement in the production sector and with the coal project at Maiganga, the company now uses lignite from our coalmine with positive impact on profitability for the benefit of our stakeholders.

In line with our policy to make safety our core value, we have continued to adhere to best practices.

AshakaCem Plc operates closely with its neighboring communities and this partnership is working to our core mutual benefits. We have continued to invest in CSR projects in areas including water, health, education and youth empowerment. We are truly committed to the development of our communities and look to the future for the strengthening of this partnership.

Ashaka Cement coal dosing.

THE LAFARGE ADVANTAGE

Lafarge Research Centre, Lyon.

THE LAFARGE ADVANTAGE

Created in 1833, Lafarge is the world leader in building materials, with top-ranking positions in three of its activities: No 1 worldwide in Cement, No 2 worldwide in Aggregates & Concrete, and No 3 worldwide in Gypsum.

Located in 62 countries with 64,000 employees, Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses.

In 2013, Lafarge posted sales of 15.1 billion euros.

For the second year in a row, Lafarge ranked amongst the top 10 of 500 Companies evaluated by the "Carbon Disclosure Project" in recognition of their strategy and actions against global warming. The Lafarge Technical Centre in Lyon, Paris which is the world's leading building materials research facility, attests that Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity.

The core values include health and safety as first priority, commitment to respect, care and excellence as well as commitment to be ranked among the World's most effective industrial groups in terms of environmental protection, social responsibility and corporate governance

To make advances in building materials, Lafarge places the customer at the heart of its concerns. It offers the construction industry and the general public innovative solutions bringing greater safety, comfort and quality to their everyday surroundings.

Lafarge's long-term presence in the business, its high degree of vertical integration and advance in product research and innovation gives the Company a competitive advantage in terms of product quality and consistency, product differentiation as well as allowing stronger operational efficiencies.

The business model focuses on achieving excellence in local management while capitalizing on best practices developed throughout the world.

PRESENCE IN AFRICA

With the acquisition of West Africa Portland Cement Plc (WAPCO), AshakaCem Plc (Ashaka), Atlas Cement (Port Harcourt) and a substantial stake in Unicem (Calabar), Lafarge holds a significant position in the Nigerian cement industry with investment in Companies that have a total production capacity of about 8.5 million metric tonnes per annum. Lafarge has significant presence in Africa with over 25 years' experience: 13 cement plants and 5 grinding stations spread over 10 countries: Benin, Nigeria, Cameroun, Uganda, Kenya, Tanzania, Malawi, Zambia, Zimbabwe and South Africa which are strategically located with facilities for exports to other African countries.

Lafarge Advantage - Focused attention to quality.

INNOVATION

With an annual R&D budget exceeding 170 million euros, the largest building materials laboratory in the world and more than 1,300 employees in R&D and Technical programme, innovation is undoubtedly one of the driving forces in Lafarge's strategy. Lafarge also has formal partnerships with some of the world's best research teams and universities in Europe, the United States and Asia (MIT, Berkely, CNRS, etc).

A world class distribution system is key to Lafarge operations world wide.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

For many years, Lafarge has been committed to a deliberate strategy of sustainable development that combines industrial know-how with performance, value creation, respect for employees and local cultures, environmental protection and the conservation of natural resources and energy. The Company is committed to progress and attentive to the ever-changing needs of local communities, contributing to the improvement of their quality of lives by setting up development programs in the key areas of health care, shelter, education and youth empowerment in a sustainable manner.

Lafarge has set firm targets to make its business more sustainable and contribute more positively to social and economic development of the local communities. The Sustainability Ambitions 2020 plan articulates additional programs (both international and local) which are organized around 34 ambitions and

Quarry

based on the following three pillars to establish Lafarge as a leading sustainability company across the globe.

Building Communities

- Health and Safety – Zero fatalities and eliminated LTIs for employees and contractors
- Diversity – 35% of senior management positions to be held by women
- Volunteer Working – 1,000,000 volunteer hours per year

Building the Circular Economy

- Local Job Creation – 75% of country operations to implement a plan for local job creation
- Affordable Housing – 2,000,000 people to have access to affordable and sustainable housing
- Sustainable Products and Services – 3 Billion Euro target for new sustainable solutions, products and services

Building Sustainably

- CO2 Emissions – 33% reduction of our CO2 emissions per ton of cement
- Non-Fossil Fuels – 50% use of non-fossil fuels in our cement plants
- Reused and Recycled Materials – 20% of our concrete to contain reused or recycled materials

BUILDING CONSISTENCY IN THE NIGERIAN MARKET

AshakaCem stands to enjoy high value creation from Lafarge as the Group introduces a turning point to display customer orientation, technical excellence and innovation from its branding platform.

A benefit of being part of Lafarge is that our shareholders can expect good return on investments from a better managed organization and feel proud to be part of a global brand leader.

Customers can also look forward to development and technical trainings, as well as wider access to information through the Lafarge Group's intranet and personal interactions. Our communities also benefit from best practices on environment, community relations and social responsibility.

Quarry

LAFARGE PROFILE

KEY FIGURES
(at December 31, 2013)

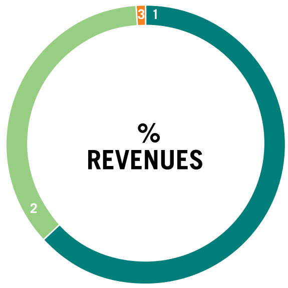
62
countries

64,000
employees

15,198
revenues
in million euros

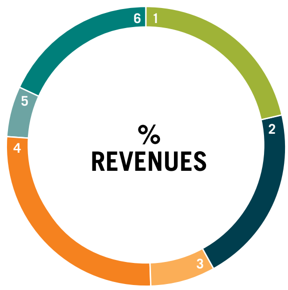
1,636
production sites

GROUP REVENUES BY ACTIVITIES
(at December 31, 2013)



1. Cement	63.5%
2. Aggregates and concrete	35.9%
3. Other	0.6%

GROUP REVENUES BY GEOGRAPHIC AREA
(at December 31, 2013)



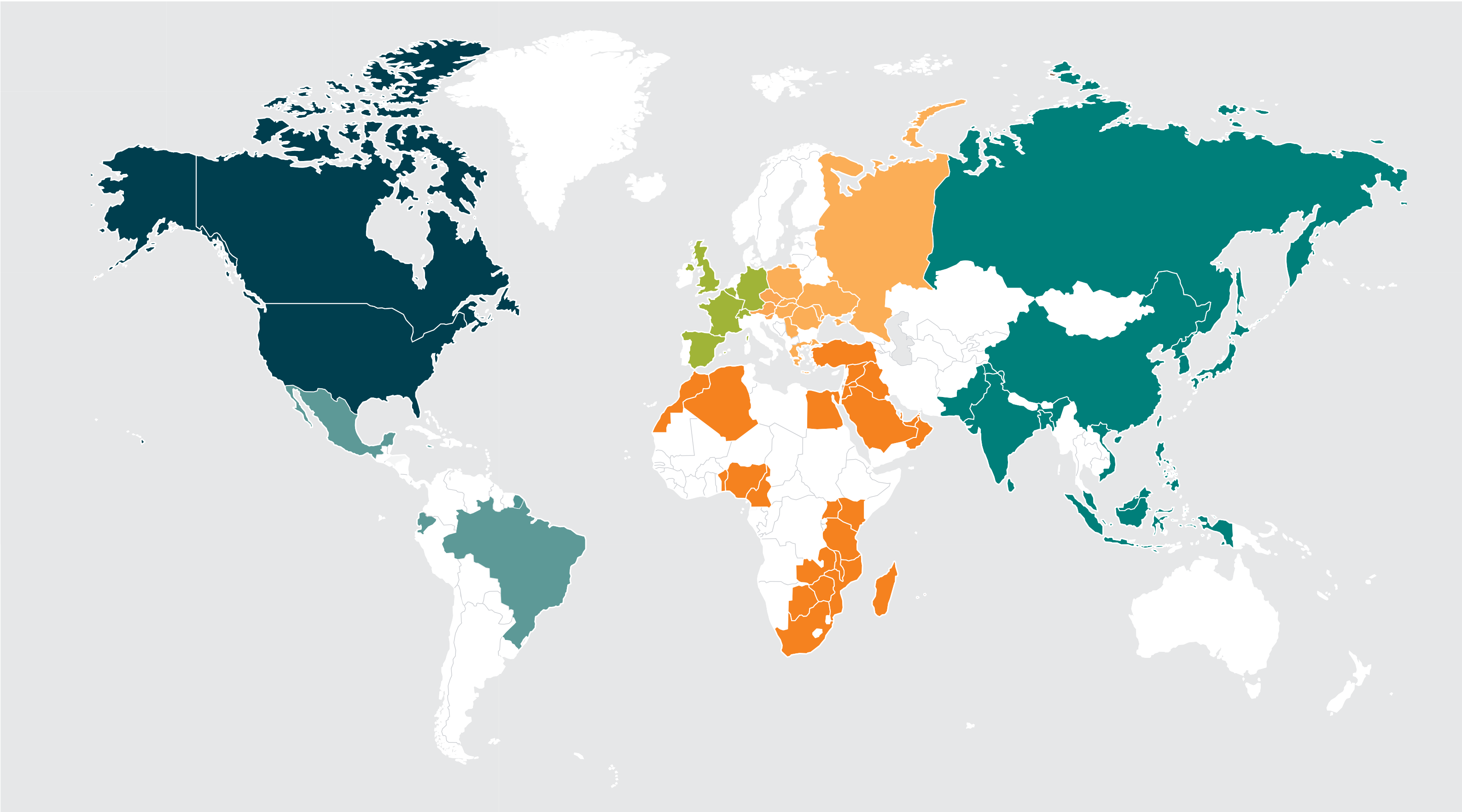
1. Western Europe	21.4%
2. North America	20.6%
3. Central and Eastern Europe	7.5%
4. Middle East and Africa	26.9%
5. Latin America	5.7%
6. Asia	17.9%

NET INCOME GROUP SHARE

601 M€

LAFARGE WORLDWIDE (December 31, 2013)

Western Europe | North America | Central and Eastern Europe | Middle East and Africa | Latin America | Asia



World map of Lafarge's presence as of December 31, 2013 (plants and sales offices).

CEMENT WORLD LEADER

56 countries

38,000 employees

9,657 revenues *in million euros*

155 production sites

N°2 AGGREGATES & N°4 CONCRETE

37 countries

25,000 employees

5,451 revenues *in million euros*

1,481 production sites

2

CORPORATE GOVERNANCE

DIRECTORS' AND STATUTORY INFORMATION

DIRECTORS

Alhaji Umaru Kwairanga	-	Chairman
Mr. John William Stull	-	Vice Chairman
Mr. Leonard Palka	-	Managing Director/CEO
Mrs. Hamra Imam	-	Director
Senator Muhammed Muhammed OFR	-	Director
Mr. Suleiman Yahyah	-	Director
Chief Kolawole Babalola Jamodu, OFR	-	Director
Dr. Abubakar Ali Gombe	-	Director
HRH Abubakar M. Kwairanga	-	Director (from 26/6/13)
Alhaji Abba Tukur Lamido	-	Director (from 26/6/13)
Mr. Guillaume Roux	-	Director (from 15/11/13)
Mr. Bruno Bayet	-	Director (from 10/12/13)

COMPANY SECRETARY/LEGAL ADVISER
Bello Aminu Abdullahi Esq.

REGISTRATION NUMBER
RC.13422

REGISTERED OFFICE
Ashaka Works, Near Gombe
Gombe State

AUDITORS
Akintola Williams Deloitte
(Chartered Accountants)
4th Floor Bank of Industry Building
Plot 256, Zone AO Cadastral
Off Herbert Macaulay Way
Central Business District
Abuja, F.C.T

REGISTRARS
City Securities (Registrars) Limited
358, Herbert Macaulay Way, Yaba
Lagos.

BANKERS
Access Bank Plc
Citibank Nigeria Limited
First Bank of Nigeria Plc
First City Monument Bank Plc
Stanbic IBTC Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Unity Bank Plc
Zenith Bank Plc

SOLICITORS
Dikko & Mahmoud
No.1 Dorawa Road,
Nassarawa G.R.A
Kano.

A. Dauda & Co
Opp.Coops Central Stores
Biu Road, Gombe

STOCK BROKERS
Unex Securities & Investment Ltd
3, Biaduo Street, Off Keffi Street
S.W. Ikoyi, Lagos.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting of ASHAKACEM PLC will be held at TRANSCORP HILTON HOTEL ABUJA on Tuesday, 17th June, 2014 at 11 a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2013, and the Report of the Directors, together with the reports of the Auditors and Audit Committee thereon.

2. To declare a dividend.

3. To elect/re-elect retiring Directors.

4. To authorize the Directors to fix the remuneration of the External Auditors

5. To elect members of the Audit Committee.

NOTES:
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 on his behalf. A proxy need not be a member of the Company.

A proxy form is attached to the Annual Report. For the instrument of proxy to be valid for the purpose of the meeting it must be completed, duly stamped by the Commissioner of Stamp Duties in accordance with the Stamp Duties Act (cap S8 Laws of the Federation of Nigeria 2004) and deposited at the office of the Registrar of the Company, City Securities Limited, 358 Herbert Macaulay Way, Lagos, not later than 48 hours before the time for holding the meeting.

DIVIDEND WARRANT

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on the 18th day of June 2014, to members whose names appear in the Register of Members at the close of business on the 27th day of April 2014.

CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed on the 28th April to 2nd May 2014 (both dates inclusive) for the purpose of payment of dividend.

AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria, 2004, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD

BELLO A. ABDULLAHI
Company Secretary/Legal Adviser

Dated this 25th March, 2014

REGISTERED OFFICE
Ashaka Works,
Near Gombe,
Gombe State.

BELLO A. ABDULLAHI
Company Secretary/Legal Adviser

RESULTS AT A GLANCE

	2013 N'000	2012 N'000	% Change
Revenue	21,694,657	21,825,927	(0.60)
Profit before taxation	2,844,864	5,473,736	(48.03)
Profit for the year	2,824,311	3,124,848	(9.62)
Total comprehensive income for the year	2,616,387	2,784,554	(6.04)
Retained earnings	46,042,313	48,394,518	(4.86)
Share capital	1,119,727	1,119,727	-
Shareholders' fund	47,162,040	49,514,245	(4.75)
PER SHARE DATA:			
Based on 2,239 (2012:2,239) million ordinary shares of 50k each:			
Earnings per share (Kobo):			
- Basic	126	140	(9.62)
Net assets per share (Kobo)			
- Basic	2,106	2,211	4.75
Stock Exchange quotation at 31 December (Naira)	20.99	17.95	16.94
Cement deliveries ('000 tonnes)	757	741	2.16
Number of employees (number)	630	620	1.61

CHAIRMAN'S STATEMENT

Distinguished shareholders, my colleagues on the Board of Directors, gentlemen of the press, ladies and gentlemen, I am delighted to welcome you to the 39th Annual General Meeting of our Company, AshakaCem Plc.

2

I will use the opportunity of today's meeting to present to our shareholders the performance of the Company for the 2013 financial year and the economic environment under which it operated.

Alhaji Umaru Kwairanga, Sarkin Fulani Gombe
Chairman of the Board
AshakaCem Plc

BUSINESS ENVIRONMENT

Stability in government and regulatory policies is the key for positive economic growth and we are encouraged by the increasing stability we see in this area. The economic parameters of interest, inflation and exchange rates broadly remained stable during the year. This stability was achieved by the Central Bank of Nigeria through the use of monetary tools, particularly the Monetary Policy Rate (MPR) and the Cash Reserve Ratio (CRR). However, toward the end of the year, exchange rate spiked as a consequence of the bearish run in equities market which resulted from the re-balancing of assets particularly by foreign port–folio investors.

Domestic demand for cement in 2013 was estimated at 21 million metric tons; up by approximately 14% on the estimated demand for 2012. This is the highest expansion in demand seen in the last five years where year on year growth in demand averaged approximately 10%.

The Nigerian economy continue to offer opportunities but the capacity of manufacturers to harness

CHAIRMAN'S STATEMENT

the opportunities is somewhat constrained by the prevailing challenges of the operating environment. Of key concern is the improvement in electric power supply from the national grid which remains marginal. However, given the significant progress made on the privatization of the generation and distribution of electricity by the Federal Government, expectation by manufacturers is that electric power supply will gradually become stable with positive impact on industrial performance.

Despite the security challenges in the North Eastern part of the country, the western part of this region where the Company is situated remained peaceful and economic and social activities have continued unhindered.

HEALTH & SAFETY

While we continue to strive for better financial results for our shareholders, the health and safety of our employees and partners working in our facilities remained a key objective. For us a focus on health and safety ultimately benefit all our stakeholders as it assures the stability of our operations. To deepen the awareness on the importance of health and Safety, I am pleased to report to our shareholders that trainings and briefings at all levels of our operations on identification and controlling of workplace risks are continuing.

RESULTS FOR THE YEAR

The total cement dispatched for the year closed at 757,000 metric tons; up by 2.2% on 2012. On the other hand, turnover decreased by approximately 1% as a result of increased self-collection of cement by distributors which excludes haulage element from selling prices. Increase in cost of sales and the consequent reduction in profit before taxation partly resulted from increased usage of expensive Low Pour Fuel Oil (LPFO), while the installation and commissioning of the coal grinding and dozing plant was being completed. I am, however, delighted to report that the installation of the coal grinding and dozing plant had been completed towards the end of 2013 and has begun to impact positively on the operation and financial performance of the Company as a result of the increased percentage usage of local coal in place of the expensive LPFO. Our impressive 2014 first quarter financial results are living testimonies to that.

Tax charged for the year decreased to N20.6 million from N2.4 billion for 2012. The decrease resulted mainly from the impact on the current and prior year financial results of the Pioneer Status granted on the company's coal mine.

PROPOSED DIVIDEND

During the second half of 2013, shareholders will recall that the Company announced its plan to invest in a significant expansion of its cement production capacity to about 4 million metric tons from the current approximately 1 million metric tons. The plan is to finance this investment partly with internally generated funds. Coupled with the substantial decrease in net profit recorded for the year, it means that increase in dividend proposal has to be restrained. Therefore, the Board of Directors resolved to recommend to the shareholders at today's meeting a gross dividend of 42 kobo on every ordinary share in issue; same level as was approved by the shareholders on the results for 2012.

BOARD CHANGES

Since the last Annual General Meeting, Mr. Neeraj Akhoury, Managing Director and Chief Executive Officer resigned his position to take up another role within the Lafarge Group. In his place, Mr. Leonard Palka was appointed and joined the Board of Directors. Mr. Palka brings to the Company and the Board several years of excellent industrial management experience.

Also Mr. Jean-Christophe Barbant resigned from the Board and was replaced by Mr. Guillaume Roux. Mr. Roux is currently the Country Chief Executive Officer of Lafarge operations in Nigeria and also an Executive Vice President of the Lafarge Group.

Mr. Dominique Brugier also resigned from the Board and was replaced by Mr. Bruno Bayet, who is also the Head of Finance of the company's expansion project.

On behalf of the shareholders and the Board of Directors, I will like to acknowledge with gratitude the contributions of Messrs Neeraj Akhoury, Jean-Christophe Barbant and Dominique Brugier; and to wish them success in their future endeavors. We also welcome warmly to the Board of Directors Messrs Leonard Palka, Guillaume Roux and Bruno Bayet.

FUTURE OUTLOOK

The deficit in urban housing stock and the urgent need by government at all levels to upgrade various road networks in the country provide growth opportunities for the cement sector and we will continue to adapt our production and commercial operations to these opportunities to the benefit of our shareholders.

To benefit from the potential growth in demand for cement and following the establishment of adequate limestone and other relevant mineral reserves, we have embarked on the expansion of our cement production capacity to 4 million metric tons. The expansion in capacity is made up of debottlenecking of the existing line for 0.5 million metric tons and the installation of a new line of 2.5 million metric tons of cement per annum. To flag off this major milestone, a groundbreaking ceremony was held on the 25th of April, 2014.

As part of the expansion project a captive coal fired power plant of 64 megawatts capacity of electricity generation will be built at an estimated in order to allow reliable and sufficient source of power for the existing plant and the new cement line.

APPRECIATION

On behalf of the Board of Directors, I will like to express our gratitude to the Management and staff of the Company for their loyalty and dedication in managing the operations of the company.

Our principal investor and partner, the Lafarge Group continues to provide commercial and technical guidance to our operations. We are grateful for their contributions.

Our immediate host communities continue to provide the necessary support for our operations to thrive peacefully and to partner with us in a mutually beneficial way to ensure that our corporate social responsibility activities achieved the desired objectives and impact. We are indeed very grateful for their partnership.

I wish to also commend the governments of Gombe State and Funakaye and Akko local governments for sustaining peace in the state and the local government areas without which the progress recorded by the Company would not have been achieved.

Distinguished shareholders, my colleagues on the Board, the Executive Management, ladies and gentlemen, I thank you for your presence at this year's Annual General Meeting and I look forward to your full participation in the agenda of today's meeting.

Alhaji Umaru Kwairanga,
Sarkin Fulani Gombe
Chairman of the Board
AshakaCem Plc

2

Cross section of Graduates of Employability scheme.

BOARD OF DIRECTORS' PROFILE

1. **Umaru Kwairanga (Sarkin Fulanin Gombe)** holds a B.Sc (Hons) in Business Administration, MBA and M.Sc Finance and Corporate Governance from Liverpool J.M University, UK. He is a fellow of the Chartered Institute of Stock Brokers of Nigeria with over 21 years cognate experience in banking, pension, manufacturing and trading as well as an active player in the Capital Market. A Member of the vision 2020 Business Support Group and Vision 2020 Technical Working Group. He is currently the Managing Director/CEO of Finmal Finance Company Ltd, a Board member of Barade Construction Co. Ltd, Central Securities Clearing system Ltd, Gombe United Micro Finance Bank Ltd, BCI Bureau De Change Ltd, Jaiz Bank Plc, and Penman Pensions Ltd. He is the Chairman of Waila Microfinance Bank Ltd, Kwainanado Nig Ltd and President of Certified Pension Institute. He is a well travelled executive with vast knowledge of corporate governance practices. He is recently appointed as a member of the Nigeria Industrial Revolution Plan Committee. He was appointed a director of the AshakaCem Plc in June 2004 and became the Chairman of the Board of Directors in February 2012.

2. **John William Stull (American)** holds a B.Sc in chemical Engineering from the University of Akron and a Business Management Degree from Harvard University. He was the Lafarge Group Regional President, sub-Saharan Africa. He joined Lafarge in 1992 as Operations Manager and rose to the position of Plant Manager, Alpena MI with overall responsibility of the largest cement plant in North America. In 1996, he was promoted to President, Manufacturing US Region, a position he held until 2000 when he was promoted to President Missouri Division, Ready-Mix and Aggregates. He also held numerous positions including Senior Vice-President, Marketing and Supply Chain, Paris and Regional President, Latin America. He is presently the Country CEO USA. He was appointed to the Board in July 2009.

3. **Leonard Palka (Polish)** is a Graduate of Mechanical Engineering from the University of Science and Technology Cracow. He is an executive with over forty years of expertise in the cement and lime industry and has extensive senior level management experience. He joined the Company as the Managing Director/CEO on 15th October 2013. Prior to this, he was the president of the Polish Cement Association and Board member of the Polish Association of Cement and Lime Producers. He was the Chairman Board of Torun Wood Processing Industry Group, a member of Provincial Parliament of Bydgoszcz and Supervisory Board Member of State Treasury Companies, Poland.

4. **Hamra Imam (Mrs.)** holds a B.A. (Hons) Public Administration and a Master of Public Administration from Ahmadu Bello University, Zaria. She is a member of the Nigerian Institute of Management. She also holds certificates in Administration from the University of Manchester, UK and Harvard University Graduate School of Business Studies. She is a seasoned administrator who meritoriously served in the public service and rose to the position of Commissioner and Permanent Secretary in Borno State. She was the Managing Director of Peoples Bank of Nigeria. She was appointed a Director in October 2003.

5

5. **Senator Muhammed A. Muhammed, OFR** is a graduate of Birmingham and Wednesbury Colleges of Commerce, U.K, and a fellow of the ACCA U.K and ICAN. He was elected into the Council of ICAN for two terms of three years each from 1987. In his career, he occupied prominent positions such as Commissioner of Trade and Industry and later Finance and Economic Development, Bauchi State 1976 - 1979 and Minister for Commerce in 1983. He was a Director and Chairman of many Companies including Sterling Civil Engineering Nigeria Ltd., Executive Director of Union Bank of Nigeria Plc for over ten years from 1980. His major contributions to the country included Chief Accountant of Northern States Marketing Board 1972 to 1976 and a founding member of the Nigerian Accounting Standard Board, now Financial Reporting Council of Nigeria for over ten years from 1985. He joined the Board in 2004.

6

6. **Suleiman Yahyah Ismail** is an advocate of best practice in corporate governance. He is INSEAD's first African certified corporate governance director, a member of the Nigerian Securities and Exchange Commission (SEC) committee that authored the 2010 Nigeria Code of Corporate Governance and a member Vision 2020-20. A Holder of Masters of philosophy Degree in Economics and Politics of Development from Cambridge University England, a trained investment banker with Chase Manhattan/Continental Bank, a qualified Chartered Stockbroker and a specialist in Debt securitization, primary and secondary capital market issues. He served as one of the Pioneer Directors of NUB International Bank for six years until its' consolidation driven merger with Finbank in 2006. He also served on the board of FCMB, a Pioneer member/Director of the Investment and Securities Tribunal (IST) from 2003-2007 and actively participated in the amendment of ISA 2007. He is currently the Chairman Abuja Business Council, Chairman of NAHCO Aviance PLC and Chairman of Rosehill Group. He is an accomplished Strategist who attended many leadership and strategic trainings in Nigeria and several countries. He was appointed a director of AshakaCem Plc in 2011.

7

7. **Chief Kolawole Babalola Jamodu, OFR** is a seasoned accountant and a fellow of the Chartered Institute of Cost and Management Accountants London; Institute of Chartered Secretaries and Administrators as well as the Institute of Chartered Accountants of Nigeria. He has a Doctorate of Science from the Federal University of Agriculture, Abeokuta. He has attended managerial, financial and leadership related courses both locally and internationally and has broad experience in finance and related fields. He was appointed an independent Director in June 2012.

8

8. **Dr. Abubakar Ali-Gombe** is a medical doctor who graduated from the University of Maiduguri in 1983, became a fellow of West African College of Physicians in 1991 and obtained an M.Sc in Epidemiology of Rheumatic Diseases at the University of Manchester, UK. He was the Chief Medical Director of the University Teaching Hospitals of Maiduguri and Gombe and has served as the Honorable Minister of State for Health between 1998 to 1999. He attended managerial related courses both locally and internationally and has broad experience in sciences and related fields. He was appointed Director in June 2012.

BOARD OF DIRECTORS' PROFILE

9. HRH. Abubakar Muhammad Kwairanga holds a certificate in Local Government Studies from the Staff Training Center Potiskum, Yobe State. He meritoriously held the position of District Scribe of Yamaltu District and served in the public sector of the economy as (Ag) Treasurer with Funakaye L.G.A, Revenue Officer, Higher Executive Officer, Permanent Member of Funakaye Emirate Council and is now the Emir of Funakaye, Gombe State. He was appointed a Director in June 2013.

10. Lamido Abba Tukur holds a Higher National Diploma in Local Government Studies from Ahmadu Bello University Zaria, Diploma in Local Government Studies and a certificate in Accountancy from Federal Polytechnic Mubi, Adamawa State. He was a member of the Governing Council, University of Lagos. He served in the public sector at various capacity rising from a Clerical Assistant to the position of Chairman, Taraba State Social Mobilization Committee on Immunization. He was appointed a Director in June 2013.

11. Guillaume Roux (French) is a graduate of the Institut d'Etudes Politiques in Paris. He joined the Lafarge Group in 1980 as an Internal Auditor for Lafarge Cement, France. He was the Chief Finance Officer of the Biochemical's Business Unit in the United States from 1989 to 1992, before returning to Lafarge headquarters to head a mission for the Finance Department. In 1996, he was Vice President of Marketing for Lafarge North America. In 1999, he was appointed Chief Executive Officer of Lafarge operations in Turkey and, Executive Vice President of the Cement Division's operations in Southeast Asia. On January 2006, he was appointed Group Executive Vice President, Co-President Cement Division (responsible for Central Europe, Western Europe, Africa, Maghreb and Middle East). He became Group Executive Vice President Performance in 2011. He is currently the Group Executive Vice President Operations and Lafarge Country Chief Executive Officer for Nigeria and Benin. He was appointed a Director in November 2013.

12. Bruno Bayet (French) holds a Master of Business Administration from the Georgetown University, Washington D.C and a postgraduate degree in Financial Risks Management with honors. He was a Senior Auditor and Manager of Economics/Corporate Finance with PriceWaterHouseCooper from 1998 to 2005. He also worked as a Treasurer with Groupe Bruxelles Lambert from 2005 to 2011 and as an Executive Committee Member of Enterprise Generale Malta Forrest (RDC). He is trained and experienced in financial analyst program. He was appointed a Director in December 2013.

REPORT OF THE DIRECTORS

The Board of Directors has the pleasure in presenting to members, the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2013.

Directors' Responsibilities

In accordance with the provision of Sections 334 and 335 of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004, the Company's Directors are responsible for the preparation of Financial Statements which give a true and fair view of the affairs of the Company as at the end of the financial period and its results for that period and which comply with the Companies and Allied Matters Act, 2004.

Principal Activities

AshakaCem Plc is principally engaged in the manufacturing and marketing of cement products.

Summary Financial Results for the Year

	2013 N'000	2012 N'000
Turnover	**21,694,657**	21,825,927
Gross profit	**6,228,063**	8,325,460
Profit before taxation	**2,844,864**	5,473,736
Taxation	**20,553**	2,348,888
Profit after taxation	**2,824,311**	3,124,848

Dividend

The Board of Directors is proposing a gross dividend of 42kobo on every ordinary share in issue. This amounts to N940.5million. The proposed dividend if approved by shareholders is subject to deduction of withholding tax at the appropriate rate.

Board Appointments

During the year 2013 Messrs Neeraj Akhoury (MD/CEO), Jean Christophe-Barbant and Dominique Brugier resigned from the Board. The Board Nomination Committee considered the nominees for their replacement to the Board. The Committee made recommendations to the Board on the suitability or otherwise of the nominees. The Board appointment Messrs Leonard Palka (MD/CEO), Guilliame Roux, and Mr. Bruno Bayet and their appointment are presented for ratification by the shareholders at the 2013 Annual General Meeting of the Company.

Retirement by Rotation

In accordance with Articles 88, 89, 90, 92 and 108 of the Articles of Association of the Company, the Directors to retire by rotation are Hamra Imam (Mrs.), John William Stull, Dr. Abubakar Ali Gombe, Chief Kolawole Babalola Jamodu and being eligible, they offer themselves for re-election.

Directors and their Interest

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 (Cap C20) Laws of the Federation of Nigeria, 2004 and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

REPORT OF THE DIRECTORS

Directors Shareholding as at December 31,2013

NAMES	HOLDINGS	%HOLDINGS
Alhaji Umaru Kwairanga	1,010,801	0.0451
Mr. John William Stull	NIL	NIL
Mr. Leonard Palka	NIL	NIL
HRH. Abubakar M. Kwairanga	2,380	0.0001
Alhaji Lamido Abba Tukur	NIL	NIL
Mr. Suleiman Yahyah	NIL	NIL
Mrs. Hamra Imam	308,475	0.0138
Senator. Muhammed Muhammed, OFR	447.575	0.0200
Chief Kolawole Babalola Jamodu, OFR	NIL	NIL
Dr. Abubakar Ali Gombe	156,606	0.0070
Mr. Bruno Bayet	NIL	NIL
Mr. Guillaume Roux	NIL	NIL
TOTAL	**1,926,218**	**0.0860**

Except as disclosed, none of the Directors has notified the Company of any disposable interests in the company's share capital.

Directors Interest in Contracts
None of the Directors has any declarable interest in contracts in which the company was involved in as at 31st December 2013 in accordance with section 277 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004.

Substantial Interest in Shares
As at date of this report, Lafarge SA held through its subsidiary Lafarge Nigeria (UK) Limited 58% of the issued and paid ordinary share capital pf the company.

SHAREHOLDER CATEGORY	UNIT OF SHARES	%
FOREIGN SHAREHOLDER		
LAFARGE NIGERIA(UK)LTD	1,312,444,260	58.6056%
NIGERIAN SHAREHOLDERS		41.39%
NSITF	3,175	0.0001
PRIVATE NIGERIAN SHAREHOLDERS	927,008,865	41.3943
GRAND TOTAL	**2,239,453,125**	**100.0000**

Corporate Governance
The Company continued to uphold adherence to best corporate governance principles and practices as well as compliance with laws and regulations guiding its operations such as the Memorandum and Articles of Association, the Companies and Allied Matters Act (Cap. C20), Laws of the Federation of Nigeria 2004, rules of the Nigerian Stock Exchange, the Securities and Exchange Commission (SEC) and other regulatory bodies.

The Company's continuous commitment to corporate governance is at the forefront of the Company's strategic plans which is aimed at improving the framework for accountability and transparency.

The Company hereby presents a detailed report to shareholders of its compliance with corporate governance requirements during the year under review.

1. The Board Composition and its Committees

The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves its strategic objectives.

The Company's Articles of Association provide that the Company's Board shall consist of not more than twelve Directors. During the year, the Board comprised of twelve Directors: Eleven (11) non-executives and one (1) executive.

The executive and non-executive Directors, with high level of competencies and experience and enviable records of achievement in their respective fields, made their contributions.

The Board meets regularly to set broad policies for the Company's business and operations and ensures that a professional relationship is maintained with the company's auditors in order to promote transparency in financial and non-financial reporting.

2. Role of the Board

- Determine the company's vision and mission to guide and set the pace for its current operations and future development.

- Reviewing and evaluating present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the Company.

- Setting and determining strategic options, setting those to be pursued and decide the means to implement and support them.

- Ensuring that the Company's organizational structure and capability are appropriate for implementing the chosen strategies.

- Reviewing alignment of goals, major plans of action, annual budget and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with approved budget.

- Ensuring the integrity of the Company's accounting and financial reporting systems and that appropriate systems are in place for monitoring risk, financial control and compliance with the law.

- The Board has supervisory responsibility for overall budgetary planning, major treasury planning, scientific and commercial strategies. The Board is responsible for satisfying itself that planning procedures and the Company's overall objectives are appropriate.

- Periodic and regular review of actual business performance relative to established objectives.

- Reviewing and approving of internal controls and risk management policies and processes.

3. Record of Director's Attendance

In accordance with Section 258 (2) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004, the record of Director's attendance and meetings held during year 2013 are available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman and the Board met seven times during the year. Written notices of Board meetings, along with the agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

REPORT OF THE DIRECTORS

DIRECTORS	29/1/13	28/3/13	25/4/13	26/6/13	30/9/13	15/11/13	10/12/13	TOTAL
Umaru Kwairanga	*	*	*	*	*	*	*	7
John William Stull	-	*	-	*	*	*	*	4
Neeraj Akhoury (Up to 14/10/13)	*	*	-	*	*	-	-	4
Jean-Christophe Barbant (Up to 15/11/13)	*	*	*	*	*	*	-	6
Suleiman Yahyah Ismail	-	*	*	*	*	-	*	5
Senator Muhammed A. Muhammed, OFR	*	*	-	*	*	*	*	6
Hamra Imam (Mrs.)	*	*	*	*	*	*	*	7
Kolawale Babalola Jamodu, OFR	-	*	*	*	*	*	*	6
Dr. Ali Abubakar Gombe	*	*	*	*	*	*	*	7
Dominique Brugier (Up to 10/12/13)	-	*	-	-	*	*	*	4
HRH A. M. Kwairanga (Appointed 26/6/13)	-	-	-	*	*	*	*	4
Lamido Abba Tukur (Appointed 26/6/13)	-	-	-	*	*	*	*	4
A. A. Abubakar (Died 25/3/13)	*	-	-	-	-	-	-	I
Leonard Palka (Appointed 14/10/13)	-	-	-	-	-	*	*	2
Guillaume Roux (Appointed 15/11/13)	-	-	-	-	-	*	*	2
Bruno Bayet (Appointed 10/12/13)	-	-	-	-	-	-	-	-

4. Board Committees and their Composition

ESTABLISHMENT COMMITTEE

The committee met twice and considered human resource matters with a view to optimizing the work force and ensuring adequate compensation and other welfare benefits.

Establishment Committee	28/1/13	25/4/13	Total
Hamra Imam (Mrs.)	*	*	2
Dr. Abubakar A. Gombe	*	*	2
Mr. Jean-Christophe Barbant	*	*	2
Mr. Neeraj Akhoury	*	-	1

FINANCE AND GENERAL PURPOSE COMMITTEE

The Committee met six times to review and make recommendations to the Board of Directors with respect to the company's annual and long-term financial strategies and objectives.

Finance Committee	28/1/13	4/2/13	25/5/13	30/7/13	28/10/13	9/12/13	Total
Sen. Muhammed A. Muhammed	*	*	*	*	*	*	6
Chief Kolawole Babalola Jamodu, OFR	-	*	-	*	*	*	4
Mr. Jean-Christophe Barbant (Up to 15/11/13)	*	-	-	-	*	-	2
Mr. Neeraj Akhoury (Up to 14/10/13)	*	*	*	*	-	-	3
Leonard Palka (Appointed 14/10/13)	-	-	-	-	-	*	1
Guillaume Roux (Appointed 15/11/13)	-	-	-	-	*	*	2

Project Committee	28/1/13	26/3/13	Total
Jean-Christophe Barbant	*	*	2
Mr. Neeraj Akhoury	*	*	2
Hamra Imam (Mrs.)	*	*	2
Suleiman Yahyah	-	*	1
Mr. Dominique Brugier	-	*	1

Risk Management Committee	25/1/13	Total
Alh. A. A. Abubakar	*	1
Dr. Abubakar Ali Gombe	*	1
Mr. Neeraj Akhoury	*	1

Nominations' Committee

The Committee meets as the needs arises to review the composition of the Board, recommend skill mix and diversity required for appointment of new members to the Board and consider remuneration of Directors. The Committee met twice in 2013.

Board Nomination Committee	26/6/13	23/9/13	Total
Mr. John W. Stull	*	*	2
Hamra Imam (Mrs.)	*	*	2
Mr. Suleiman Yahyah	*	*	2
Mr. Christophe Barbant	*	*	2

AUDIT COMMITTEE

In accordance with sections 359(4) & (5) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004, the committee members consisting of members and Directors were nominated and elected to serve up to the conclusion of the 39th Annual General Meeting. The meetings of the Committee were held seven times during the year. The functions of the Committee are provided in Section 359(6) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004.

Corporate Audit Committee	6/3/13	27/3/13	23/4/13	19/6/13	29/10/13	9/12/13	23/12/13	Total
Alh. Abdullahi Umar (Retired 27/6/13)	*	*	*	*	-	-	-	4
Alh. Maigana Lamido	*	*	-	*	*	*	*	6
Mr. Paul Olele	*	-	*	*	*	*	*	6
Sen. M. A. Muhammed, OFR	*	*	*	*	*	*	*	7
Alh. A. A. Abubakar (Died 25/3/13)	*	-	-	-	-	-	-	1
J. C. Barbant (Retired 27/6/13)	-	*	-	*	-	-	-	2
HRH Abubakar M. Kwairanga (Appointed 27/6/13)	-	-	-	-	*	*	*	3
Alh. Sabo Usman (Appointed 27/6/13)	-	-	-	-	*	*	*	3

6. Management Team

The Management team comprises the functional heads of the core business units of the Company. The Management team meets regularly and is responsible for setting overall corporate targets, reviews the Company's performance and operational issues as well as the day-to-day management of the business.

REPORT OF THE DIRECTORS

7. Insider Trading

AshakaCem Plc maintains a share trading policy that guides Directors, Audit Committee members and all employees as to their dealings in the Company's shares. The Company's Directors and other relevant persons are prohibited from dealing in the Company's shares at certain periods in accordance with the Investment and Securities Act 2007.

8. Ethics and Code of Business Conduct

The Company has adopted the Lafarge code on ethics and business conduct. All employees are aware of this code and are required to observe the rules of business conduct in relation to the company's business.

The Lafarge Code of Business Conduct workshop/training were organized for staff of the Company at different periods during the year.

As one of its responsibilities, the Audit Committee evaluates the extent of compliance and proffers suggestions, benchmarks and achievable objectives towards the realization of the Company's policy on ethics as approved by the Board. Management in addition, presents an annual report on Ethics to the Audit Committee for review and evaluation.

9. Whistle Blowing

The Company is committed to conducting its affairs ethically and responsibly. Unethical behaviors cost the Company money, time, human resources and can negatively affect the Company's reputation before its stakeholders. All ethical abuses and fraud are reported through the Company's internal whistle blowing process.

10. Acquisition of Shares

The Company did not purchase any of its own shares during the year ended 31st December 2013.

11. Human Resources

i. Employment of Disabled Persons
The Company is committed to providing equal employment opportunities to qualified individuals and does not discriminate against disabled persons.

ii. Employees' Health
All employees enjoy free and comprehensive medical services, which are extended to their families through the Company's clinic.

iii. Empoyees' Training
Employees' are sponsored to attend various types of local and overseas courses, workshops and seminars of high quality.

12. Donations

No donation was made to any political organization during the year. However, some donations and charitable gifts were made to some communities and organizations which amounted to N37,642,561.76. The detailed breakdown of the expenditure is on page 35.

13. Risk Management

The Board ensures that appropriate means and measures are put in place by the general management to enable identification, analysis and continued improvement in the management of risks to which the Company is exposed as a result of its operations.

Every year, the Board ensures that Management performs analysis of the various operational risks facing the business. The analysis is used as the basis for updating the Company's internal control standards and procedures as well as to ensure improved management of risk.

14. Audit Committee

The Audit Committee is established to perform the functions stated in Section 359(6) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria, 2004. The Audit Committee of the Company was elected at the last Annual General Meeting. The Audit Committee consists of Directors and shareholder representatives of the Company. A shareholder representative is the Chairman of the Committee. The Committee met seven times in the period under review.

15. Auditors

Akintola Williams Deloitte (Chartered Accountants) served as External Auditors during the year under review. In accordance with Section 357(2) of the Companies and Allied Matters Act, Messrs Akintola Williams Deloitte, Chartered Accountants, have indicated their willingness to continue in office. A resolution will be proposed to reappoint them and to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Bello A.Abdullahi
FRC/2013/NBA/00000002301
Company Secretary/LegalAdviser
Dated this 25th March 2014

Lafarge Group Chairman/CEO, Bruno Lafont, at AshakaCem's stand at an exhibition in Gombe State.

EXECUTIVE MANAGEMENT TEAM

Mr. Leonard Palka
MD/CEO

Yusuf Lamuwa
GM, Finance & IT Administration/CFO

Abdul - Hameed Balarabe
GM, Projects

Graeme Melvin Bride
GM, Manufacturing

Bello A. Abdullahi
Company Secretary/Legal Adviser

Dr. Abdullahi SB Gimba
GM, Sales & Marketing
(Up to January 2014)

Alfa Abdullahi
GM, Human Resources
(Up to March 2014)

SENIOR MANAGEMENT TEAM

Adamu M. Maaji
Works Operations Manager

Tukur M. Lawal
Country Health & Safety Manager

Musa Usman Bichi
Power Strategy Manager

Yahaya Gorki
Project Manager

Dahiru Abbasi Gatugel
Purchasing Manager

Salihu Ajiya
National Sales Manager

Hauwa B. Ahmed
Country Diversity & Inclusion Manager

Bakura Bajoga
Head of Corporate Affairs

Abdulrazaq Ola Ande
Marketing Manager

Adamu Yaro
BU Chief Accountant

Tony Opara
Sustainable Development Manager

Husaini Bulama
Mechanical Manager

Daniel Hughes
Production Coach

Mohammed Ibrahim
Audit Manager

Kime Muktar
Electrical & Electronics Manager

Mohammed Ismael
Production Manager

Dr. Bunu Wali
Senior Medical Officer

Zailani Gabdo
Regional Manager North East

SENIOR MANAGEMENT TEAM

Garba Maigana
Regional Sales Manager (North East)

Isa Yakubu
Electrical Improvement Project Manager

Musa D. Usman
Key Account Manager

Babayo Aliyu El-nafaty
Performance Manager

Sulayman Yahuza
HRBP Industrial

Tijanni Ahmed Abubakar
Mines Operations Manager

Adamu Abubakar
Health & Safety Manager

Usman Sabo
Stores Manager

Jude Orazulike
IT Manager

Baba Wakil
BU Treasurer

Francis Wayas
Essential Services Manager

Baba Tukur
Regional Sales Manager (North West)

Mohammed Ganye
Regional manager North East

Dr. Sani Jalo Bajoga
Medical Officer

Shettima Gana
Senior Buyer

Yusuf Doma
BU Controller

Mohammed Bala
Corporate Relations Manager

Nasir M. Yelma
Methods Manager

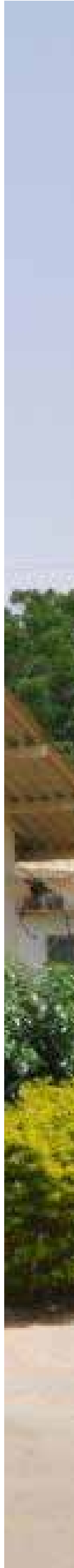
Josef Tapken
Mechanical Coach

Ibrahim Dongs
Power House Engineer

Ishaq Dirani
Application Business Owner

3

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



HEALTH, SAFETY AND ENVIRONMENT

Safety being our core value at AshakaCem Plc

We continue to manage safety both through strict processes, and by embedding a safety culture in the daily activities of our workforce. Our objective is to have zero fatalities, no spillages, or incidents that harm our employees, contractors or host communities.

Our customers should know that our Health, Safety and Environment policies are top priorities of the company. Our aim is to create a proactive safety culture in which stakeholders believe that incidents are foreseeable and preventable.

We continued with the record level of low injuries we have seen in the past 7 years. However, we experienced 2 incidents within our premises during the reporting year which resulted in the Lost Time Incidents. This calls for more effort in order to improve our safety culture.

The environment where we operate is important to us; we shall continue to intensify our efforts to ensure that we operate in a way that sustains the environment and is beneficial to all, our neighboring communities and future generations as well as being biodiversity conscious. In line with this, we distributed to workers and planted one thousand improved variety of Mango samplings in 2013 and hope to improve in 2014.

AshakaCem staff undergo medical checkup during the annual 2013 Health & Safety Month.

Housekeeping exercise as part of Health & Safety measures.

HUMAN RESOURCES

We believe that effective recruitment and continuous training are critical to our success. In the year under review, we recruited over 35 graduates including the 7 Graduates Trainees from the region/country. We devote significant resource to the continuous development and training of our people.

We benefit from the diversity that our global presence brings, recognizing that a clear understanding of developing people, improving world-class technology and exceptional teamwork are the keys to our future success.

More than 400 staff were trained both Local and International, 50 Staff were promoted, 7 to the senior management level while the Employee Relations Manager and Training, Learning and Career Manager (COH Diversity and Inclusion Manager and the Country Health and Safety Manager) respectively were moved to the Country level to handle greater responsibilities.

Employees' Health

As part of our Health and safety programme, AshakCem corroborated with state health sector to conduct a comprehensive test exercise for the Staff, families and the Community at large. Modern equipments were purchase for the Medical center (multi parameter monitors, ICU bed, oxygen concentrator and ventilator, scanning and X-ray machine to improve the medical care given to staff and the host community.

Diversity & Inclusion

The COH Diversity and Inclusion engaged the women at AshakaCem, in an interactive session, where issues of common interest were shared. As a result of this forum, more women were recruited into the company in the year 2013.

Launch of Friends of Community.

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Corporate responsibility is not an empty term. At AshakaCem, it represents the Company's commitment to the present and future generations in terms of the positive contribution it intends to make to the society. In its quest to build better cities, AshakaCem is dedicated to a deliberate strategy of sustainable development that combines industrial know-how with performance, value creation for stakeholders, respect for employees and local cultures, diversity, volunteering, health and safety, sustainable products and services, environmental protection, and the conservation of natural resources and energy.

The Company is committed to progress and attentive to the ever-changing needs of local communities, contributing to the improvement of their quality of lives by setting up development programs in the key areas of healthcare, shelter, education and youth empowerment in a sustainable manner.

Presentation of working tools to graduates of Employability Scheme.

As part of the Lafarge Group, AshakaCem has keyed into the implementation of our Sustainability Ambitions 2020 by setting firm targets to make its business more sustainable and to contribute more positively to social and economic development of local communities and the society at large. The Sustainability Ambitions 2020 articulates additional programs which are organized around 34 ambitions based on three pillars of Building Communities, Building the Circular Economy, and Building Sustainably.

AshakaCem believes its success will be greater if its corporate policies and practices enhance not only its own competitiveness but also the social and economic conditions in the communities surrounding its sites. To this extent, the company works with community representatives to develop specific solutions to meet local challenges in the areas of health, education, youth empowerment and shelter.

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Veronique Roux, wife to Country CEO Guillaume Roux, at AshakaCem Workers Village Primary School, Gombe.

Graduation ceremony of first set of Employability Scheme.

COMMUNITY PROJECTS
YEAR 2013 CORPORATE SOCIAL RESPONSIBILITY

S/N	PORJECT	QTY	COST
1	Construction of Maternity Clinic at Kayelbaga community	1	5,445,812.80
2	Construction of Women skill centre at Maiganga community	1	5,799,999.96
3	Construction of Block of 2 Classrooms at Mus`ab	4	5,000,000.00
4	Construction of Block of 2 Classrooms at Sangaru	3	5,000,000.00
5	Construction of Block of 2 Classrooms at Attahir	2	5,000,000.00
6	Construction of Block of 2 Classrooms at Piu community	1	5,000,000.00
7	Supplyof furniture for the 8 classrooms above	180	3,162,000.00
8	Drilling & installation of hand pump (mark III)	1	624,000.00
9	Renovation of six classrooms at Jalingo community - labour		285,824.00
10	Supply of 20mm gravels for the renovation	9tn	486,000.00
11	Supply Iron windows for classrooms at Jalingo	36	414,000.00
12	Supply Iron doors for classrooms at Jalingo	6	112,200.00
13	Renovation of GSS Ashaka exams hall	1	456,725.00
14	Maintenance of hand pump at Bajoga south school	1	100,000.00
16	Drilling & installation of hand pump at Feshingo Yerima	1	756,000.00
	TOTAL		**37,642,561.76**

A block of two classrooms and an office donated to a community school in Gombe.

A dispensary block donated to a maternity clinic in Gombe.

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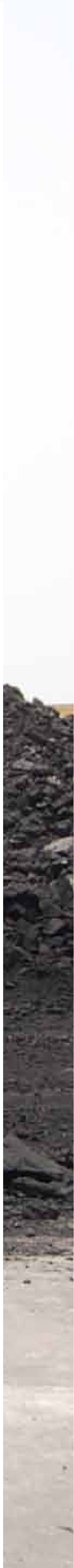
FINANCIAL STATEMENTS



CERTIFICATION OF FINANCIAL STATEMENTS

Pursuant to section 7 (2) of the Financial Reporting Council of Nigeria Act 2011, we have reviewed the annual report of ASHAKACEM PLC for the year ended 31 December 2013.

Based on our knowledge, the financial statements does not contain any untrue statement of a material fact or omit a material fact necessary and is not misleading with respect to the period covered by the report.

The Company's code of Ethics and statement of Business Practices formulated by the Board has been implemented as part of the corporate governance practices of the company throughout the period of intended reliance and the Directors and key executives of the Company had acted honestly, in good faith and in the best interests of the whole Company.

Our financial statements and other financial information included therein, fairly present in all material respects, the financial condition, results of operations and cash-flows of the Company as of, and for, the period presented in the financial statements.

We are responsible for designing the internal controls and procedures surrounding financial reporting process and assessing these controls (as require by Section 7 (2) (f) of the Financial Reporting Council of Nigeria Act 2011) and have desgined such internal controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared. The controls, which are properly designed, have been operating effectively in the period of intended reliance.

Based on the foregoing we the undersigned hereby certify that to the best of our knowledge and belief the information contained in the financial statements for the year ended 31 December 2013, appear to be true, correct and up to date.

Leonard Palka
Managing Director/Chief Executive Officer
FRC/2014/IOD/00000007121

Yusuf Lamuwa
Chief Financial Officer
FRC/2013/ANAN/00000002302

STATEMENT OF DIRECTORS' RESPONSIBILITIES

By the provisions of S334 and S335 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (CAMA), the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss at the end of each financial year.

The Directors are required by the provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) in April 2011, to issue this statement in connection with the preparation of the financial statements for the year ended December 31, 2013.

In compliance with the provisions of CAMA the Directors must ensure that:

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

The Directors accept responsibility for the preparation of these financial statements, which have been prepared in compliance with:

- the provisions of CAMA
- the provisions of the Financial Reporting Council of Nigeria, Act No. 6 of 2011
- the published accounting and financial reporting standard issued and adopted by the Financial Reporting Council of Nigeria
- the regulations of SEC and the Nigeria Stock Exchange

The Directors have made an assessment of the Company's ability to continue as a going concern based on the supporting assumptions stated in the financial statements, and have every reason to hold that the Company will remain a going concern in the financial year ended.

Approved by the Board of Directors on
25 March, 2014, and signed on its behalf by:

Chairman - FRC/2013/CISN/00000002357

Managing Director - FRC/2014/IOD/00000007121

F

Deloitte.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF ASHAKACEM PLC

Report on the Financial Statements
We have audited the accompanying financial statements of AshakaCem Plc which comprise the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended 31 December 2013, a summary of significant accounting policies and other explanatory information set out on pages 42 to 89.

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 financial statements that are free from material misstatement, whether due to fraud or error.

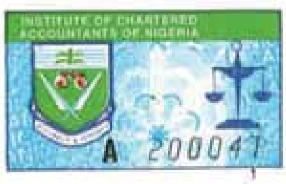
Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditor's 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 AshakaCem Plc as at 31 December 2013 and the financial performance and cash flows for the year then ended 31 December 2013 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.

Folorunso Hunga, FCA - FRC/2013/ICAN/00000001709
for: **Akintola Williams Deloitte**
Chartered Accountants
Abuja, Nigeria
25 March 2014



REPORT OF AUDIT COMMITTEE

In accordance with Section 359 (6) of the Companies and Allied Matter Act 2004, we have:

(a) Reviewed the scope and planning of the audit requirements as presented by the External Auditors,

(b) Reviewed the External Auditors' Management Report for the year ended 31st December, 2013 as well as the management response thereon and,

(c) Ascertained that the accounting and reporting policies of the Company for the year ended 31st December, 2013 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the AshakaCem Plc audit for the year ended 31st December, 2013 were adequate and Management's responses to the Auditors' findings were satisfactory.

Alh. Muhammad M. Lamido
Chairman,
Corporate Audit Committee

Dated this 24 March, 2014

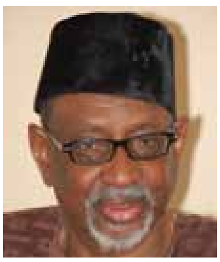
AUDIT COMMITTEE MEMBERS

1. Alh. Muhammad M. Lamido
2. Paul Olele
3. Alh. Sabo Mohammed
4. Sen. Muhammed A. Muhammed, OFR
5. HRH Abubakar M. Kwairanga
6. Mr. Guillaume Roux

Alh. Muhammad M. Lamido

Mr. Paul Olele

Alh. Sabo Mohammed



Senator Muhammed A. Muhammed, OFR

HRH Abubakar M. Kwairanga

Mr. Guillaume Roux

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013

	Note	31/12/2013 N'000	31/12/2012 N'000
Revenue	6	21,694,657	21,825,927
Cost of sale		(15,466,594)	(13,500,467)
Gross profit		**6,228,063**	**8,325,460**
Other income	8	150,734	604,635
Investment income	9	1,081,607	936,162
Administrative expenses		(4,013,133)	(3,775,276)
Selling and distribution expenses		(602,407)	(617,245)
Profit before tax		**2,844,864**	**5,473,736**
Income tax expense	11	(20,553)	(2,348,888)
Profit for the year	**10**	**2,824,311**	**3,124,848**
Other comprehensive income for the year net of taxes			
Item that will not be reclassified subsequently to profit or loss:			
Actuarial losses (net of tax)	19.1	**(207,924)**	**(340,294)**
Item that may be reclassified subsequently to profit or loss		**-**	**-**
Total comprehensive income for the year		**2,616,387**	**2,784,554**
Earnings per share			
Basic (kobo)	25	**126**	**140**

STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2013

	Note	31/12/2013 N'000	31/12/2012 N'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	48,649,149	48,271,636
Intangible assets	13	78,699	82,345
Total non-current assets		**48,727,848**	**48,353,981**
CURRENT ASSETS			
Inventories	14	4,536,974	5,114,022
Trade and other receivables	15	819,896	501,554
Cash and cash equivalents	16	13,338,818	13,355,675
Total current assets		**18,695,688**	**18,971,251**
TOTAL ASSETS		**67,423,536**	**67,325,232**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	18	1,119,727	1,119,727
Retained earnings	19	46,042,313	48,394,518
Total equity		**47,162,040**	**49,514,245**
NON-CURRENT LIABILITIES			
Retirement benefit obligations	21	3,021,485	2,491,879
Deferred tax liabilities	11	9,506,675	5,706,979
Total non-current liabilities		**12,528,160**	**8,198,858**
CURRENT LIABILITIES			
Trade and other payables	22	7,378,850	7,471,761
Finance lease obligation	20	-	31,545
Provisions	23	-	17,857
Current tax liabilities	11	354,486	2,090,966
Total current liabilities		**7,733,336**	**9,612,129**
TOTAL LIABILITIES		**20,261,496**	**17,810,987**
TOTAL LIABILITIES AND EQUITY		67,423,536	67,325,232

These financial statements on pages 42 to 89 were approved by the Board of Directors on 25 March 2014 and signed on its behalf by:

Alhaji Umaru Kwairanga
Chairman
FRC/2013/CIBN/00000002357

Leonard Palka
Managing Director/Chief Executive Officer
FRC/2014/IOD/00000007121

Yusuf Lamuwa
Chief Financial Officer
FRC/2013/ANAN/00000002302

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STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013

	Share capital N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2012	**1,119,727**	**45,607,205**	**46,726,932**
Profit for the year	-	3,124,848	3,124,848
Other comprehensive income for the year (net of tax)	-	(340,294)	(340,294)
Total comprehensive income for the year	-	2,784,554	2,784,554
Rebate received from Lafarge	-	898,540	898,540
Dividend paid	-	(895,781)	(895,781)
Balance at 31 December 2012	**1,119,727**	**48,394,518**	**49,514,245**
Total comprehensive income for the year	-	2,824,311	2,824,311
Other comprehensive income for the year (net of tax)	-	(207,924)	(207,924)
Total comprehensive income for the year	-	2,616,387	2,616,387
Prior year adjustment on deferred tax in respect of revaluation surplus	-	(4,028,022)	(4,028,022)
Dividend paid	-	(940,570)	(940,570)
Balance at 31 December 2013	**1,119,727**	**46,042,313**	**47,162,040**

STATEMENT OF CASHFLOWS

for the year ended 31 December 2013

	Note	31/12/2013 N'000	31/12/2012 N'000
Cash flows from operating activities			
Cash received from customers		21,861,990	22,430,035
Cash paid to suppliers and employees		(17,826,631)	(17,908,506)
Cash generated from operations		4,035,359	4,521,529
Income taxes paid		(1,992,436)	(1,206,311)
Net cash generated by operating activities	24	2,042,923	3,315,218
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(2,168,365)	(701,592)
Purchase of intangible assets	13	(3,791)	(53,235)
Interest received		1,081,607	936,162
Proceeds from disposal of property, plant and equipment		2,884	20,333
Net cash (used in)/generated by investing activities		(1,087,665)	201,668
Cash flows from financing activities			
Dividend paid		(940,570)	(895,781)
Repayment of finance lease		(31,545)	(30,979)
Net cash used in financing activities		(972,115)	(926,760)
Net (decrease)/increase in cash and cash equivalents		(16,857)	2,590,126
Cash and cash equivalents at the beginning of year		13,355,675	10,765,549
Cash and cash equivalents at the end of the year	16	**13,338,818**	**13,355,675**

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 General Information

AshakaCem Plc was incorporated in Nigeria on 7 August 1974 as a private limited company and commenced operation in September 1979. Its registered office address is Ashaka Works near Gombe, Gombe State. It was converted to a public company and the shares were quoted on the Nigeria Stock Exchange in July 1990. Its present ownership structure is 41.39% Nigerian and 58.61% Lafarge SA held through its subsidiary, Lafarge Nigeria (UK) Limited which owns 58.61% shares of AshakaCem Plc.

1.1 Principal business activity

The Company's principal activities are the manufacture and sale of cement.

1.2 Financial period

These financial statements cover the financial period from 1 January 2013 to 31 December 2013 with the comparative for the year ended 31 December 2012.

3 Application of new and revised International Financial Reporting Standards (IFRS)

3.1 The following revisions to accounting standards and pronouncements were issued and effective at the reporting period

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 10 Consolidated Financial Statements	IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. 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. The application this standard has no effect to the Company's financial statements as the Company does not currently hold an interest in any subsidiary.	**1 January 2013**

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 11 Joint Arrangements	IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Ventures will be withdrawn upon the effective date of IFRS 11. IFRS 11 is concerned principally with addressing two aspects of IAS 31: first, that the structure of the arrangement was the only determinant of the accounting, and second, that an entity had a choice of accounting treatment for interests in jointly controlled entities. The application of this standard had no material impact on the disclosures or on the amounts recognised in the financial statements as the Company does not currently hold any Joint Arrangement contract.	**1 January 2013**
IFRS 12 Disclosure of Interest in Other Entities	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. IFRS 12 replaces the disclosure requirements in IAS 27, IAS 28 and IAS 31 except for the disclosure requirements that apply only when preparing Separate financial statements, which are included in IAS 27 Separate financial statements. IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. As such, the application of IFRS 12 has no effect to the Company's financial statements as the Company does not have such interests.	**1 January 2013**

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NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 13 Fair Value Measurement	IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosure about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value .IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less cost to sell, based on fair value or disclosures about those measurements), except in the following circumstances: • Share based payment transactions within the scope of IFRS 2 • Leasing transactions within the scope of IAS 17 • Measurements that have some similarities to fair value, such as net realizable in accordance with IAS 2 inventories and value in use in accordance with IAS 36. IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Company has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the financial statements	**1 January 2013**

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements	The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position. The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. In the current year, the Company has applied a number of new and revised IFRSs (see the discussion above), however these have not resulted in material effects on the information in the statement of financial position as at 1 January 2013. Equally there is no material restatement or reclassifications requiring additional statement of financial position.	**1 January 2013**

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NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IAS 19 (as revised in 2011) Employee Benefits	The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the following areas inter alia, • Recognition of changes in the net defined benefit liability • Plan amendments, curtailments and settlements • Disclosure about defined benefit plans • Accounting for termination benefits & • Other miscellaneous issues. The application of this standard has had no impact on the amounts recognised in profit or loss and other comprehensive income in prior years.	**1 January 2013**
IFRIC 20 Stripping costs in the production Phase of A Surface Mine	IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). Under the Interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognised as a non-current asset (stripping activity asset) when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with IAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. IFRIC 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time. However, IFRIC 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The application of this standard has had no impact on the amounts recognised in the financial statements.	**1 January 2013**

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

3.2 The following revisions to accounting standards and pronouncements were issued but not effective at the reporting period (earlier application is permitted in some cases)

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	The amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.	**1 January 2014**
Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39)	Amends IAS 39 Financial Instruments: Recognition and Measurement make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.	**1 January 2014**
IFRS 9(2010)	A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.	**1 January 2018 (tentative)**
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	The amendment clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realisation and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.	**1 January 2014**

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NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	The amendment provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries. Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).	**1 January 2014**
IFRIC 21 Levies	Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.	**1 January 2014**
IFRS 9(2010)	A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.	**1 January 2018 (tentative)**

The directors of the Company do not anticipate that the applications of these standards will have material effects on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

4 Significant accounting policies

4.1 Statement of compliance with IFRSs

The financial statements have been prepared and presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective at 31 December 2013.

4.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The significant accounting policies are set out below:

4.3 Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

4.3.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time 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 entity;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.3.2 Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income 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.

4.4 Leasing

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.

The Company as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised in profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 asset 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 asset are consumed.

4.5 Foreign currency translation

For the purpose of these financial statements, the results and financial position of AshakaCem Plc are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the financial statements. The functional and presentation currency was determined by the directors and this is explicitly documented in the accounting policies manual approved by the Board.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

* exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
* exchange differences on transactions entered into in order to hedge certain foreign currency risks;
* exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

4.6 Pensions and other post-employment benefits

The Company operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2004 with employee contributing 7.5% and employer contributing 12.5% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

For defined 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 reognised in full in other comprehensive income and all past service costs are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

4.7 Taxation

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

4.7.1 Current tax

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

4.7.2 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 liabilities and assets 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.

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

4.8 Property, plant and equipment

Land and buildings mainly comprise factories, depots, warehouses and offices. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which it is incurred.

Depreciation on property, factory buildings, machinery, vehicles, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets to their residual values over their expected useful lives.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	20 - 50 years
Fixed and mobile plants	8 - 30 years
Factory fittings, furniture and office equipment	5 years
Motor vehicles	3 years
Motor vehicles held under the finance lease	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Losses or gains on disposals of fixed assets are determined by comparing proceeds with the carrying amounts. These losses or gains are included in profit or loss.

Properties in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

4.9 Impairment of tangible and intangible assets excluding goodwill and financial assets

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). When 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. When 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 the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease subject to the available surplus in the revaluation reserve.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 Inventories

Inventories are stated in the financial statements at the lower of cost and net realisable value. Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition, are valued using weighted average cost. Cost of finished goods and work-in-progress which include direct labour and factory overheads, are valued using standard cost and adjusted to actual cost.

Engineering spare parts and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks. Engineering spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over their useful life and the useful life starts when they are put to use. If the estimated useful life of the spare parts from installation exceeds that for the whole plant, depreciation is limited to the remaining life of the plant.

4.11 Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortized cost less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any allowance available and then to profit or loss. Subsequent recoveries of amounts for which a previous allowance was made are credited to the profit or loss. Long-term receivables are discounted where the effect is material. Trade receivables are measured at amortized cost. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.12 Trade payables

Trade payables are held at amortised cost which equates to nominal value. Long-term payables are discounted where the effect is material.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments generally with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

4.14 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.

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. When 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 the effect of the time value of money is material).

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

4.14.1 Environmental expenditure
Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Company recognizes its liability on a site-by-site basis when it can be reliably estimated. This liability includes Company's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

4.14.2 Restructurings
A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and 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 the income statement.

4.15.1 Financial assets
The Company's financial assets are classified into available for sale (AFS) 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.

4.15.1.1 Available-for-sale financial assets (AFS financial assets)
AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed equities held by the Company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or los.

Dividends on AFS equity instruments are recognised in the income statement when the Company's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

4.15.1.2 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 include 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position which are measured at amortised cost using the effective interest method, less any impairment.

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 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.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.15.1.3 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 to be 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 AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other 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 borrower 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 assets, 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 receivable

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.

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 the income statement.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

4.15.1.4 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.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4.16 Financial liabilities and equity instruments

4.16.1 Classification as debt or equity

Debt and equity instruments issued by the Company 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.

4.16.2 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 as the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4.16.3 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

4.16.3.1 Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value. Subsequently they are 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 discounts estimated 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.

4.16.3.2 Derecognition of financial liabilities

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

4.17 Segment information

The Chief Executive Officer is the Company's chief operating decision-maker. The Chief Executive Officer has determined that there are only two business and operating segments. Based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance, the Company is involved in the manufacture and sale of cement, and coal mining and milling operation.

4.18 Related parties

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all executive and non-executive directors. Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

4.19 Earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

5. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, 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.

F

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

The following are the critical judgments and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

5.1 Property, plant and equipment

Property, plant and equipment represent the most significant proportion of the asset base of the Company, accounting for about 72% of the Company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the of property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

5.2 Provision for gratuity

The Company operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

5.3 Allowance for doubtful receivables

Judgment is exercised to make allowance for trade receivables doubtful of recovery by reference to the financial and other circumstances of the debtor in question. Based on the credit terms and historical experience regarding trade receivables, the Company makes a specific or collective impairment allowance for doubtful debt.

5.4 Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority. Under the Nigerian tax system, self-assessment returns are subjected to a desk review for the determination of tax due for remittance in the relevant year of assessment. This is however not conclusive as field audits are carried out within six years of the end of the relevant year of assessment to determine the adequacy or otherwise of sums remitted under self-assessment thus making tax positions uncertain.

		31/12/2013 N'000	31/12/2012 N'000
6	**Revenue**		
	The following is an analysis of the Company's revenue for the year from continuing operations (excluding other income):		
	Sale of cement	**21,694,657**	**21,825,927**

7 Segment information

Information reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance focuses on the types goods or services delivered or provided: The Company's reportable segments are manufacture and sale of cement (cement segment), and coal mining and milling operation (coal segment).

7.1 Segment revenue and results

	Segment revenue		Segment profit	
	31/12/2013 N'000	**31/12/2012 N'000**	**31/12/2013 N'000**	**31/12/2012 N'000**
Manufacture and sale of cement	21,694,657	21,825,927	5,625,656	7,708,215
Coal mining and milling operation	1,717,699	2,161,831	1,146,652	1,520,423
	23,412,356	**23,987,758**	**6,772,308**	**9,228,638**
Elimination of inter-segment sales/profit	(1,717,699)	(2,161,831)	(1,146,652)	(1,520,423)
	21,694,657	**21,825,927**	5,625,656	7,708,215
Investment income			1,081,607	936,162
Other income			150,734	604,635
Administrative expenses			(4,013,133)	(3,775,276)
Profit before tax			2,844,864	5,473,736

Segment revenue reported includes inter-segment sales amounting to N1.72 million in current year (2012: N2.16 million. This represents all the coals produced at the coal segment which was sold to the cement segment at market value.

Segment profit represents the profit before tax earned by each segments without allocation of administrative expenses, investment income and other income. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

7.2 Segment assets and liabilities

	31/12/2013 N'000	31/12/2012 N'000
Segment assets:		
Manufacture and sale of cement	65,470,656	65,158,097
Coal mining and milling operation	1,952,880	2,167,135
	67,423,536	67,325,232
Segment liabilities:		
Manufacture and sale of cement	20,261,496	17,810,987
Coal mining and milling operation	-	-
	20,261,496	17,810,987

7.3 Pioneer Certificate on Maiganga Coal Mine

The Company obtained a pioneer status certificate from the Nigerian Investment Promotion Commission (NIPC) in 2013, in respect to the production of coal from its Maiganga coal mine in Gombe State, which is maintained for the sole purpose of Ashaka's cement production. The production day for the commencement of the pioneer period has been determined to be 1 January 2012 as indicated on the production day certificate. Consequently, the results for the year has been segmented into cement and coal mining as presented above.

	31/12/2013 N'000	31/12/2012 N'000
8 Other income		
Allowance no longer required	28,831	-
Guest house income	38,828	20,529
Miscellaneous income	83,075	30,623
Receipts from Humboldt Wedag India (see note 8.1)	-	320,902
Foreign exchange gain	-	232,581
	150,734	**604,635**

8.1 Receipts from Humboldt Wedag India

This represents amount received from Humboldt Wedag India during year 2012 in respect of out of court settlement of a commercial dispute.

	31/12/2013 N'000	31/12/2012 N'000
9 Investment income		
Interest income on current accounts	**1,081,607**	**936,162**
10 Profit for the year		
Profit for the year is arrived at after charging (crediting):		
Directors' remuneration	202,671	244,927
Depreciation of property, plant and equipment	1,817,391	1,890,731
Amortisation of intangible assets	7,437	37,612
Loss on disposal of property, plant and equipment	1,392	11,464
Exchange loss/(gain)	19,661	(232,581)
Staff costs (see note 10.1)	3,300,560	2,702,782
Technical operating fees (see note 25.5)	468,159	453,058
Audit fee	21,000	26,000

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2012 N'000
10.1	**Staff costs**		
	Wages, salaries and staff welfare	2,619,280	2,119,152
	Defined benefit plans	479,325	412,855
	Defined contribution (pension schemes)	201,955	170,775
		3,300,560	**2,702,782**
			Number
	The average number of people employed excluding directors was as follows:		
	Management	118	104
	Non-Management	512	516
		630	**620**

11 Taxation

11.1 Income tax recognised in profit or loss

	31/12/2013 N'000	31/12/2012 N'000
Current tax		
Current tax expense in respect of the current year	691,307	1,919,167
Education tax	76,328	171,799
Prior year overpayment due to coal mining operation pioneer status	(511,679)	-
	255,956	2,090,966
Deferred tax		
Deferred tax (credit)/chargerecognised in the current year	(235,403)	300,639
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	(42,717)
	(235,403)	257,922
Total income tax expense recognised in current year	**20,553**	**2,348,888**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**2,844,864**	**5,473,736**
Expected income tax expense calculated at 30% (2011: 30%)	853,459	1,642,121
Education tax expense calculated at 2% (2011: 2%) of assessable profit	76,328	171,799
Effect of expenses that are not deductible in determining taxable profit	20,398	22,769
Effect of investment allowance	(9,480)	(32,636)
Effect of capital contribution that are chargeable in determining taxable profit	-	269,562
Effect of disallowed depreciation on revalued PPE	-	317,991
Effect of pioneer status	(408,473)	-
	532,232	2,391,605
Capital gains tax	-	-
Prior year overpayment due to coal mining and milling operation pioneer status	(511,679)	-
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	(42,717)
	20,553	2,348,888
Effective tax rate	0.7%	42.9%

The tax rate used for 2013 and 2012 reconciliation above is the company income tax rate of 30% based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2001, as amended. The rate of 2% for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
11.2	**Income tax recognised in other comprehensive income**		
	Deferred tax		
	Arising on income and expenses recognised in other comprehensive income:		
	Arising from actuarial losses on staff retirement benefit plan	7,077	(145,840)
11.3	**Current tax liabilities**		
	Balance at 1 January	2,090,966	1,206,311
	Income tax expense recognised in current year	255,956	2,090,966
	Payments	(1,992,436)	(1,206,311)
	Balance at 31 December	354,486	2,090,966
11.4	**Deferred tax liabilities**		
	The following is the analysis of deferred of deferred tax assets/(liabilities) presented in statement of financial position		
	Deferred tax assets	1,490,922	1,296,862
	Deferred tax liabilities	(10,997,597)	(7,003,841)
	Deferred tax liabilities (net)	(9,506,675)	(5,706,979)

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

31 December 2013

	Opening balance N'000	Recognised in profit or loss N'000	Recognised in other comprehensive income N'000	Closing balance N'000
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	7,003,841	3,993,756		10,997,597
Provisions	(1,083,691)	(201,137)		(1,284,828)
Actuarial losses on staff retirement benefit plan	(213,171)	7,077		(206,094)
	5,706,979	3,799,696	-	9,506,675

31 December 2012

	Opening balance N'000	Recognised in profit or loss N'000	Recognised in other comprehensive income N'000	Closing balance N'000
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	6,494,225	509,616	-	7,003,841
Provisions	(831,997)	(251,694)	-	(1,083,691)
Actuarial losses on staff retirement benefit plan	(67,331)	-	(145,840)	(213,171)
	5,594,897	257,922	(145,840)	5,706,979

	31/12/2013 N'000	31/12/2012 N'000
Movement at a glance		
Deferred tax (liabilities)/assets		
Balance at 1 January	5,706,979	5,594,897
Recognised in statement of profit or loss	(235,403)	257,922
Recognised in other comprehensive income	7,077	(145,840)
Prior year adjustment recognised directly in equity in respect of revaluation surplus	4,028,022	-
Balance at 31 December	**9,506,675**	**5,706,979**

11.5 Pioneer certificate on Maiganga Coal Mine

The Company obtained a pioneer status certificate from the Nigerian Investment Promotion Commission (NIPC) in 2013, in respect to the production of coal from its Maiganga coal mine in Gombe State, which is maintained for the sole purpose of Ashaka's cement production. The production day for the commencement of the pioneer period has been determined to be 1 January 2012 as indicated on the production day certificate.

Consequently, management have revised the income tax computations for the 2013 tax year, to reflect the company's true tax position for the year, and have also taken into consideration its pioneer profits, in computing the company's taxes for the 2014 tax year bearing in mind that the production day was determined retrospectively.

This has been done in line with the provisions of Section 5 of the Industrial Development (Income Tax Relief) Act which provides that where a pioneer certificate is granted retrospectively, any act done or thing which has happened for the purposes of the Companies' Income Tax Act (CITA) which will not have happened if the pioneer certificate was granted before the period will be treated as not having been done or happened, and if the act consists of the payment of any tax by the company, the tax shall as soon as three months after the production day of the company be paid back to the company by the FIRS.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

12 Property Plant and Equipment

	Land & Buildings N'000	Fixed plant N'000	Mobile plant N'000	Factory fittings, furniture and office N'000	Motor Vehicles N'000	Capital work -in-progress N'000	Motor Vehicles under Finance Lease N'000	Total N'000
Cost								
Balance at 1 January 2012	24,398,641	23,199,245	1,879,681	881,728	804,485	4,597,018	93,125	55,853,923
Additions	1,544	-	-	778	243,318	455,952	-	701,592
Transfer from capital work-in-progress	114,157	1,076,623	11,246	31,689	-	(1,261,494)	-	(27,779)
Reclassification	(204,926)	157,668	(13,347)	92,263	(31,658)	-	-	-
Disposals	-	-	-	(415)	(94,592)	-	(3,725)	(98,732)
Write-offs	(8,179)	(51,234)	(97,346)	(212,551)	(14,719)	(1,188)	-	(385,217)
Balance at 31 December 2012	**24,301,237**	**24,382,302**	**1,780,234**	**793,492**	**906,834**	**3,790,288**	**89,400**	**56,043,787**
Balance at 1 January 2013	24,301,237	24,382,302	1,780,234	793,492	906,834	3,790,288	89,400	56,043,787
Additions	-	38,640	-	14,304	-	2,115,421	-	2,168,365
Transfer from capital work-in-progress	-	235,060	-	3,964	140,735	(379,759)	-	-
Reclassification	352	(783,715)	1,116,559	1,657	(334,853)	-	-	-
Disposals	-	-	-	(2,980)	(22,965)	-	-	(25,945)
Write-back/(offs)	-	24,397	-	-	-	(681)	-	23,716
Balance at 31 December 2013	**24,301,589**	**23,896,684**	**2,896,793**	**810,437**	**689,751**	**5,525,269**	**89,400**	**58,209,923**
Depreciation								
Balance at 1 January 2012	1,380,160	2,586,077	1,184,161	662,249	467,612	-	46,564	6,326,823
Charge for the year	803,041	723,594	100,063	33,070	201,060	-	29,903	1,890,731
Reclassification	(6,466)	84,002	(8,458)	(33,526)	(35,552)	-	-	-
Disposals	-	-	-	(144)	(64,825)	-	(1,966)	(66,935)
Write-offs	(8,179)	(49,617)	(92,604)	(213,349)	(14,719)	-	-	(378,468)
Balance at 31 December 2012	**2,168,556**	**3,344,056**	**1,183,162**	**448,300**	**553,576**	**-**	**74,501**	**7,772,151**
Balance at 1 January 2013	2,168,556	3,344,056	1,183,162	448,300	553,576	-	74,501	7,772,151
Charge for the year	367,967	796,556	289,679	162,088	186,202	-	14,899	1,817,391
Reclassification	-	20,094	159,039	(1,385)	(177,748)	-	-	-
Disposals	-	-	-	(1,839)	(19,830)	-	-	(21,669)
Write-offs	-	(7,099)	-	-	-	-	-	(7,099)
Balance at 31 December 2013	**2,536,523**	**4,153,607**	**1,631,880**	**607,164**	**542,200**	**-**	**89,400**	**9,560,774**
Carrying amount:								
Balance at 31 December 2013	**21,765,066**	**19,743,077**	**1,264,913**	**203,273**	**147,551**	**5,525,269**	**-**	**48,649,149**
Balance at 31 December 2012	**22,132,681**	**21,038,246**	**597,072**	**345,192**	**353,258**	**3,790,288**	**14,899**	**48,271,636**

Assets pledged as security
Apart from the leased motor vehicles, no other items of property, plant and equipment was pledged as security for borrowings in the year.

Capital-work-in-progress
Capital work-in-progress represents assets under construction which are not subject to depreciation. These assets, after completion of construction will be reclassified to the appropriate class of property, plant and equipment.

Impairment of property, plant and equipment
There are no indicators of impairment at the end of the reporting period. Thus, the directors are of the opinion that allowance for impairment is not required. Thus, no impairment is recognized during the year.

The following useful lives are used in the calculation of depreciation.

Buildings	20 - 50 years
Fixed and mobile plants	8 - 30 years
Factory fittings, furniture and office equipment	5 years
Motor vehicles	3 years
Motor vehicles held under the finance lease	3 years

Fair value of property, plant and equipment used as deemed cost as at transition date
The valuation of the Company's plant, property and equipment was performed by Knigth Frank Nigeria, independent valuers not related to the Company, to determine the fair value of the property plant and equipment used as deemed cost as at IFRS transition date of 1 January 2011. Knight Frank Nigeria is a member of the Nigerian Institution of Estate Surveyors and Valuers. The valuation was determined by reference to market value using Depreciated Replacement Cost Approach. The valuation resulted in the value of N46,006,255,000. The revaluation surplus thereon amounting to N31,692,921,000 was recognised in retained earnings as at 1 January 2011.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
13	**Intangible asset**		
	Cost		
	Balance at 1 January	427,887	351,476
	Additions	3,791	53,235
	Transfer from capital work in progress	-	27,779
	Write-offs	-	(4,603)
	Balance at 31 December	431,678	427,887
	Accumulated amortisation		
	Balance at 1 January	345,542	311,583
	Charge for the year	7,437	37,612
	Write-offs	-	(3,653)
	Balance at 31 December	352,979	345,542
	Carrying amount		
	Balance at 31 December	78,699	82,345

Intangible asset represents computer software with an estimated useful life of 5 years. It is amortized on a straight line basis. Apart from the computer software, the Company has no other significant intangible assets.

Impairment of intangible assets
There are no indicators of impairment at the end of the reporting period. Thus, the directors are of the opinion that allowance for impairment is not required. Thus, no impairment is recognized during the year.

		31/12/2013 N'000	31/12/2012 N'000
14	**Inventories**		
	Raw materials	2,827,432	2,486,301
	Spares parts	2,649,391	3,006,877
	Work in progress	240,332	622,645
	Finished product	336,447	397,694
		6,053,602	6,513,517
	Allowance for obsolete inventories (see note 13.1)	(1,516,628)	(1,399,495)
		4,536,974	5,114,022

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
14.1	**Reconciliation of allowance for obsolete inventories**		
	Balance at 1 January	1,399,495	1,171,080
	Current year allowance	117,133	228,415
	Balance at 31 December	1,516,628	1,399,495

The cost of inventories recognised as an expense during the year in respect of continuing operations was N10.57 billion (2012: N8.89 billion).

The cost of inventories recognised as an expense includes N117.13 million (2012: N228.42 million) in respect of write-downs of inventory to net realisable value. There was no reversal of write-downs during the year.

No inventory was pledged as security for loans.

		31/12/2013 N'000	31/12/2013 N'000
15	**Trade and other receivables**		
	Trade receivables	39,754	56,228
	Allowance for doubtful debts (see note 14.1)	(23,813)	(23,688)
		15,941	**32,540**
	Other receivables:		
	Unutilized letters of credit	250,364	70,561
	Intercompany receivables	30,500	-
	Staff debtors	146,265	129,357
	Advance payments to suppliers	426,759	448,854
	Prepayments	101,689	60,465
	Sundry debtors	227,360	167,590
	Allowance for doubtful other receivables (see note 14.1)	(378,982)	(407,813)
		803,955	**469,014**
		819,896	**501,554**

The average credit period on sales of goods is 30 days. No interest is charged on trade receivables. The Company has recognised an allowance for doubtful debts of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables below 360 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal Credit Committee to assess the potential customer's credit quality and defines credit limits to customer. Limits to customers are reviewed twice a year.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable. Age of receivables that are past due but not impaired.

	31/12/2013 N'000	31/12/2012 N'000
30 - 60 days	-	8,875
61 - 90 days	-	10,560
91 - 120 days	-	793
181 - 360 days	15,941	-
Total	15,941	20,228
Average age (days)	0.67	0.94

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

	31/12/2013 N'000	31/12/2013 N'000
15.1 Movement in the allowance for doubtful debts		
Trade receivables		
Balance at 1 January	23,688	8,177
Charged during the year	125	15,511
Balance at 31 December	23,813	23,688
Other receivables		
Balance at 1 January	407,813	377,298
Charged during the year	-	30,515
Write back during the year	(28,831)	-
Balance at 31 December	378,982	407,813

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to N23.81 million (2012: N23.69 million). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds.

	31/12/2013 N'000	31/12/2012 N'000
Age of impaired trade receivables		
360 + days	23,813	23,688
Total	**23,813**	**23,688**
16 Cash and cash equivalents		
Bank deposit account	10,692,798	9,621,245
Bank current account	2,639,815	3,728,695
Cash in hand	6,205	5,735
	13,338,818	**13,355,675**

Cash and cash equivalents comprise cash and short term bank deposits with original maturity of three months or less and they do not include any restricted cash as at the reporting period. The carrying amount of these assets is approximately equal to their fair value.

17 Non - cash transaction

There are no non-cash transactions during the reporting period.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
18	**Share capital**		
	Authorised		
	3,000,000,000 ordinary shares	1,500,000	1,500,000
	Issued and fully paid		
	2,239,453,125 ordinary shares	1,119,727	1,119,727

Fully paid ordinary shares, which have a par value of 50 kobo carry one vote per share and carry a right to dividends.

All ordinary shares issued have been fully paid.

		31/12/2013 N'000	31/12/2012 N'000
19	**Retained earnings**		
	Balance at 1 January	48,394,518	45,764,311
	Prior year adjustment on deferred tax in respect of revaluation surplus	(4,028,022)	-
	Rebates received from Lafarge	-	898,540
	Actuarial losses (net of tax) (note 18.1)	(207,924)	(340,294)
	Dividend declared and paid	(940,570)	(895,781)
	Profit for the year from continuing operations	2,824,311	3,124,848
	Balance at 31 December	46,042,313	48,394,518
19.1	**Actuarial losses (net of tax)**		
	Actuarial gains - change in assumption	-	(12,513)
	Actuarial losses- experience adjustment	200,847	498,647
		200,847	486,134
	Deferred tax charged thereon (see note 10.3)	7,077	(145,840)
		200,847	340,294

This represents actuarial losses from actuarial valuation on the Company's defined benefit plan. See note 20.

At the Annual General Meeting of the members held on 27 June 2013, the shareholders approved the payment of dividend of 42 kobo per share (2012: 40 kobo per share) on 2,239,453,125 ordinary shares amounting to N940,570,313 (2012: N859,781,250). The declared dividend was paid to shareholders during the year after deducting appropriate withholding taxes.

At the Board of Directors Meeting held on 25 March 2014, the Directors propose a dividend of 42kobo per ordinary share of 50 kobo each on the 2,239,453,125 existing ordinary shares. The proposed dividend amounting to N940,570,313is subject to approval by shareholders at the Annual General Meeting and deductions of withholding tax at the appropriate rate. Consequently, the proposed dividend has not been included as a liability in these financial statements.

20 Finance lease obligation

The Company acquired certain motor vehicles under finance leases. The average lease term is 3 years. At the end of the lease terms, the Company takes ownership of the motor vehicles. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at 11% (2012: 11%) per annum.

	31/12/2013 N'000	31/12/2012 N'000
Balance at 1 January	31,545	62,524
Acquisition during the year	-	-
Repayment during the year	(31,545)	(30,979)
Balance at 31 December	**-**	**31,545**

	Minimum lease payments			
	31/12/2013 N'000	31/12/2012 N'000	31/12/2013 N'000	31/12/2012 N'000
Not later than one year	-	33,525	-	31,545
Later than one year and not later than 2 years	-	-	-	-
Later than 2 years	-	-	-	-
	-	**33,525**	**-**	**31,545**
Less future finance charges	**-**	**(1,980)**	**-**	**-**
Present value of minimum lease payments	**-**	**31,545**	**-**	**31,545**

	31/12/2013 N'000	31/12/2012 N'000
Included in statement of financial position as:		
Current	**-**	**31,545**
Non-current	**-**	**-**
	-	**31,545**

21 Retirement benefit obligations

21.1 Defined contribution plan

The employees of the Company are members of a state arranged pension scheme (Pension reform act, 2004) which is managed by several private sector service providers. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the defined contribution plan is to make the specified contributions and remit to respective Pension Fund Administrator nominated by each employee.

The total expense recognised in profit or loss of N201.95 million (2012: N170.77 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 December 2013, contributions of N17.39 million (2012: N39.36 million) due in respect of the 2013 reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

21.2 Defined benefit plan

The Company operates an unfunded defined benefit plan (gratuity) for its qualifying employees. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age of 55. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2013 by HR Nigeria Limited a firm of Independent Actuarial Consultants. 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.

	31/12/2013 N'000	31/12/2012 N'000
Balance at 1 January	2,491,879	2,084,733
Charge for the year	680,172	898,989
Payment during the year	(150,566)	(491,843)
Balance at 31 December	3,021,485	2,491,879

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Finacial assumptions	31/12/2013 %	31/12/2012 %
Discount rate	13	13
Expected rate(s) of salary increases	12	12
Average rate of inflation	9	10

Demograpghic assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths in year out of 10,000 lives
25	11
30	12
35	13
40	19
45	33

Withdrawal from Service	Age Band	Rate
	≤	302.0%
	31 - 39	1.5%
	40 - 49	1.0%
	50 – 60	0.0%

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligations	
	Change in assumption	**Decrease in assumption**	**Increase in assumption**
Discount rate	1 %	6.24% increase in liability	5.66% decrease in liability
Salary growth rate	1 %	6.18% decrease in liability	6.72% increase in liability
Inflation rate	1 %	N/A	N/A
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		0.001% decrease in liability	0.001% increase in liability

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields
A decrease in corporate bond yields will increase plan liabilities and vice visa.

Inflation risk
The Company defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

Life expectancy
The plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Expected contributions to post-employment benefit plans for the year ending 31 December 2014 is nil.

The weighted average duration of the defined benefit obligation is 10.92 years.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

21 Retirement benefit obligations (continued)

Amounts recognised in statement of profit or loss and comprehensive income in respect of these defined benefit schemes are as follows:

	31/12/2013 N'000	31/12/2012 N'000
Current service cost	164,849	130,327
Interest cost	314,476	282,528
Actuarial gains- change in assumption	-	(12,513)
Actuarial losses- experience adjustment	200,847	498,647
	680,172	**898,989**

Of the expense for the year, N479.33 million (2012:N412.86 million) has been included in profit or loss as administrative expenses. Actuarial gains and losses are recognised in other comprehensive income.

The amount included in the statement of financial position arising from the Company's obligations in respect of its defined retirement benefit schemes is as follows:

	12/31/2013 N'000	12/31/2012 N'000
Present value of defined benefit obligations	3,021,485	2,491,879
Deficit in scheme	3,021,485	2,491,879
Past service cost not yet recognised in statement of financial position	-	-
Liability recognised in the statement of financial position	**3,021,485**	**2,491,879**

Movements in the present value of defined benefit obligations were as follows:

	12/31/2013 N'000	12/31/2012 N'000
Balance at 1 January	2,491,879	2,084,733
Service cost	164,849	130,327
Interest cost	314,476	282,528
Benefits paid	(150,566)	(491,843)
Actuary gains- change in assumption	-	(12,513)
Actuary losses- experience adjustment	200,847	498,647
Balance at 31 December	**3,021,485**	**2,491,879**

The history of experience adjustments is as follows:

	12/31/2013 N'000	12/31/2012 N'000
Present value of defined benefit obligation	3,021,485	2,491,879
Deficit	**3,021,485**	**2,491,879**
Experience adjustments on plan liabilities	**200,847**	**498,647**

The Company does not expect to make a contribution to the defined benefit plans during the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
22	**Trade and other payables**		
	Trade payables	2,997,728	2,387,841
	Haulage creditors	72,421	161,096
	Distributors' deposits	75,342	71,522
	Advance payments by customers	1,437,495	1,693,877
	Intercompany payables (Note 26)	1,336,949	1,622,047
	Other creditors	505,541	400,331
	Accruals	657,170	783,835
	Value added tax	127,566	216,065
	Withholding taxes	151,246	95,785
	Staff pensions accruals	17,392	39,362
		7,378,850	**7,471,761**

The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

		31/12/2013 N'000	31/12/2012 N'000
23	**Provisions**		
	Balance at 1 January	17,857	17,857
	Reduction arising from payment	(17,857)	-
		-	17,857

This relates to a court case in which a judgment debt in the sum of N17.86 was settled in the year.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

		31/12/2013 N'000	31/12/2013 N'000
24	**Reconciliation of profit for the year to net cash generated by operating activities**		
	Profit for the year	2,824,311	3,124,848
	Adjustments to reconcile profit for the year to net cash generated by operating activities:		
	Depreciation of property, plant and equipment	1,817,391	1,890,731
	Amortisation of intangible assets	7,437	37,612
	Write(back)/off of property, plant and equipment	(30,815)	6,749
	Write off of intangible assets	-	950
	Loss on disposal of property, plant and equipment	1,392	11,464
	Interest received on deposits	(1,081,607)	(936,162)
	Rebates received from Lafarge	-	898,540
	Actuarial losses (net of tax)	(207,924)	(340,294)
	Prior year adjustment on deferred tax in respect of revaluation surplus	(4,028,022)	-
	Changes in assets and liabilities:		
	Decrease/(increase) in inventories	577,048	(1,390,962)
	(Increase)/decrease in trade and other receivables	(318,342)	654,679
	Decrease in trade and other payables	(92,911)	(2,046,820)
	(Decrease)/increase in current tax liabilities	(1,736,480)	884,655
	Increase in deferred taxation	3,799,696	112,082
	Increase in retirement benefit obligation	529,606	407,146
	Decrease in provisions	(17,857)	-
		(781,388)	190,370
		2,042,923	3,315,218

25 Earnings per share

Basic and diluted earnings per share are shown on the face of the statement of profit or loss and other comprehensive income. The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows.

	31/12/2013 N'000	31/12/2012 N'000
Earnings		
Earnings for the purpose of basic earnings and diluted earnings per share being profit for the year attributable to shareholders of the Company	**2,824,311**	**3,124,848**
Number of shares	**000**	**000**
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,239,453**	**2,239,453**
Earnings per share (kobo) - basic	**126**	**140**

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

26 Related party transactions

Details of transactions between the Company and other related parties are disclosed below.

26.1 Trading transactions

During the year, the Company entered into the following trading transactions with related parties:

	Purchases of goods and services	
	31/12/2013 N'000	**31/12/2012 N'000**
Lafarge SA Paris	680,242	1,201,339
Lafarge TCEA	3,446	-
Lafarge South Africa	53,163	14,949
Lafarge Cement WAPCO Nigeria Plc	168,000	34,047
Lafarge East Africa	3,420	-
Lafarge Philippines	3,540	27,110
	911,811	**1,277,445**

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

	Amount owed by related parties	
	31/12/2013 N'000	**31/12/2012 N'000**
Lafarge Nigeria	30,500	-
	30,500	**-**
Lafarge SA Paris	937,522	1,438,657
Lafarge TCEA	3,446	31,332
Lafarge South Africa	25,769	14,978
Lafarge Cement WAPCO Nigeria Plc	325,542	95,962
Lafarge East Africa	3,420	37
Lafarge Middle East Africa	7,992	7,993
Lafarge Philippines	33,258	33,088
	1,336,949	**1,622,047**

Sales and purchases were made at market price discounted to reflect the quantity of goods sold and purchased and the relationships between the parties.

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

No expense has been recognised in the current or prior years for bad or doubtful receivables in respect of the amounts owed by related parties.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

Lafarge SA Paris: This is the ultimate parent company which owns 58.61% of AshakaCem Plc through its subsidiary, Lafarge Nigeria (UK) Limited. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Lafarge TCEA, Lafarge South Africa, Lafarge Cement UK, Lafarge Cement WAPCO Nigeria Plc, Lafarge East Africa, Lafarge North America, Lafarge Middle East Africa, and Lafarge Philippines are sisters companies in Lafarge Group. The company entered into various transactions with the related party ranging from purchase and sale of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

	31/12/2013 N'000	31/12/2012 N'000
26.2 Loans to related parties		
Loans to key management personnel	**-**	**7,750**

There are no outstanding short-term loans to any key management personnel at year end (2012: N7.75 million at zero rate of interest).
The loans to key management personnel are unsecured.

26.3 Loans from related parties
There are no loans obtained from related parties during the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

26.4 Compensation of key management personnel

The remuneration of executive management team excluding directors during the year was as follows:

	31/12/2013 N'000	31/12/2012 N'000
Short-term benefits	154,819	159,271
Post-employment benefits	28,180	28,536
	183,999	**187,807**
The remuneration of directors during the year was as follows:		
Short-term benefits	226,319	151,015
Termination benefits	51,948	140,000
	278,267	**291,015**
Other information on directors emoluments:		
Fees:		
- Chairman	600	600
- Other Directors	3,250	3,333
	3,850	3,933
Salaries, allowances and expenses:		
- Executive Directors	37,798	46,088
- Other Directors	198,821	240,994
	240,469	**291,015**
Highest Paid Director	**37,798**	**30,174**
Number of Directors whose emoluments were within the following ranges:		
N	**Number**	**Number**
1 - 5,000,000	11	11
5,000,001 - 20,000,000	-	-
20,000,000 and above	1	1
	12	**12**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

F

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

26.5 Technical operating fee
The Company has a technical operating agreement with Lafarge SA Paris and the technical operating fees amounting to N445.87 million (2012: N431.48 million) has been calculated on the basis of 2% of net sales as follows:

	31/12/2013 N'000	31/12/2012 N'000
Revenue	21,694,657	21,825,927
Haulage cost	(361,322)	(361,252)
	21,333,335	**21,464,675**
Technical operating fees	445,866	431,484
VAT on technical fee	22,293	21,574
	468,159	**453,058**

26 Capital commitment

Committed fund	**539,023**	**598,445**

Capital commitment relates to expenditure authorised by the Directors and not provided for in these financial statements:

27 Contingent liabilities
The company is engaged in a commercial dispute arising from a coal contract between the company and MOS Engineering Services Limited (MOS). MOS is claiming N920.7 million. The Company is refuting MOS claims and is asserting that it has overpaid MOS under the contract. In the opinion of the solicitors, if parties reach amicable settlement, the Company may likely pay a reasonable amount to MOS to cover services rendered and materials supplied which may not have been paid for. If the matter goes to adjudication/ arbitration, the Company may or may not be liable depending on the proof of evidence adduced by the parties. However, if the Company is found liable to pay additional money to MOS, what will be due or payable will not be as high as what MOS Engineering is claiming at the moment. No provision has been made in these financial statements in respect of the claims because the amount of provision cannot be reliably measured.

There are also law suits pending against the Company in various courts of law with estimated contingent liabilities of N127.45 million. In the opinion of the Directors and based on independent legal advice, the Company's liability is not likely to be significant, thus no provision has been made in the financial statements because the amount of provision cannot be reliably measured.

28 Events after reporting date
There were no events after the reporting date that could have had a material effect on the financial statements of the Company that had not been provided for or disclosed in the financial statements.

29 Approval of financial statements
The financial statements were approved by the board of directors and authorised for issue on 24 March 2014.

30 Capital management

The Company manages its capital to ensure that it will continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remained unchanged.

The capital structure of the Company consists of equity, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the financial statements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure on a frequent basis to ensure that debt to equity balance is within acceptable limit. The overall objective of capital management is to reduce debt to equity ratio to the barest minimum.

Debt to equity ratio

The Company debt to equity ratio as at the end of the reporting period:

	31/12/2013 N'000	31/12/2012 N'000
Debt (i)	-	31,545
Equity (ii)	47,162,040	49,514,245
Debt to equity ratio	0.00%	0.06%

i. Debt is defined as current- and non-current term borrowings (as described in note 21).

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

31 Categories of financial instruments

31/12/2013	Loans and receivables N'000	Non-financial assets N'000	Total N'000
Assets			
Cash and cash equivalents	13,338,818	-	13,338,818
Trade and other receivables	192,706	627,190	819,896
Inventories	-	4,536,974	4,536,974
Intangible asset	-	78,699	78,699
Property, plant and equipment	-	48,649,149	48,649,149
	13,531,524	53,892,012	67,423,536

31/12/2013	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Finance lease obligation	-	-	-
Trade and other payables	4,407,098	2,971,752	7,378,850
Current tax payable	-	354,486	354,486
Deferred tax liabilities	-	9,506,675	9,506,675
Retirement benefit obligations	-	3,021,485	3,021,485
	4,407,098	15,854,398	20,261,496

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NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

31 Categories of financial instruments (continued)

31/12/2012	Loans and receivables N'000	Non-financial assets N'000	Total N'000
Assets			
Cash and cash equivalents	13,355,675	-	13,355,675
Trade and other receivables	161,897	339,657	501,554
Inventories	-	5,114,022	5,114,022
Intangible asset	-	82,345	82,345
Property, plant and equipment	-	48,271,636	48,271,636
	13,517,572	**53,807,660**	**67,325,232**

31/12/2012	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Finance lease obligation	31,545	-	31,545
Trade and other payables	4,170,984	3,300,777	7,471,761
Current tax payable	-	2,090,966	2,090,966
Provisions	-	17,857	17,857
Deferred tax liabilities	-	5,706,979	5,706,979
Retirement benefit obligations	-	2,491,879	2,491,879
	4,202,529	**13,608,458**	**17,810,987**

32 Risk management

Risk management roles and responsibilities are assigned to stakeholders in the company at three levels: The board, executive committee and line managers.

The Board's oversight is performed by the Board of Directors through the Board Risk and Ethics Committee.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

32.1 Market risk

The Company's activities expose it primarily to financial risks of changes in foreign currency exchange rates.

Market risks exposures are measured using sensitivity analysis.
There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

32.1.1 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD, GBP and EURO.

The following table details the Company's sensitivity to a 3%, increase and decrease in Naira against USD, GBP and EURO currencies. Management believes that a 3% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding USD, GBP and EURO denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 3% against the USD. For a 3% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

	31/12/2013 N'000	31/12/2012 N'000
Naira strengthens by 3% against the		
USD	697	842
GBP	305	60
EURO	28,332	38,720
Profit	**29,334**	**39,622**
Naira weakens by 3% against the		
USD	(697.47)	(842.37)
GBP	(305)	(60)
EURO	(28,332)	(38,720)
Loss	**(29,334)**	**(39,622)**
Monetary assets/liabilities denominated in USD		
Cash and bank balances	10,010	5,046
Trade receivables	-	-
Trade and related party payables	(33,259)	(33,125)
	(23,249)	**(28,079)**
Monetary assets/liabilities denominated in GBP		
Cash and bank balances	10,165	2,010
Trade receivables	-	-
Trade and related party payables	-	-
	10,165	**2,010**
Monetary assets/liabilities denominated in Euro		
Cash and bank balances	59,849	179,330
Trade receivables	-	-
Trade and related party payables	(944,387)	(1,469,989)
	(884,538)	**(1,290,659)**

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NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 2013

32.2 Credit risk management

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

Trade receivables consist of a number of corporate customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, bank guarantee is obtained from customers.

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:

	31/12/2013 N'000	31/12/2012 N'000
Trade receivables	15,941	32,540
cash and cash equivalents	13,338,818	13,355,675
	13,354,759	13,388,215

The maximum exposure to credit risk for trade receivables at the reporting date by type of receivables was:

	31/12/2013 N'000	31/12/2012 N'000
Parastatals/Government	-	-
Corporates	15,941	32,540
SMEs	-	-
	15,941	32,540

The credit risk on bank deposits is limited because the counterparties are entities with high credit-ratings assigned by international credit-rating agencies.

32.2.1 Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

32.3 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

32.3 Liquidity risk management (continued)

32.3.1 Maturity analysis of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

31/12/2013	**0-6 months**	**6-12 months**	**12 - 24 months**	**Above 24 months**	**Total**
Borrowings	-	-	-	-	-
Trade payables	2,997,728	-	-	-	2,997,728
	2,997,728	**-**	**-**	**-**	**2,997,728**
31/12/2012					
Borrowings	31,545	-	-	-	31,545
Trade payables	2,387,841	-	-	-	2,387,841
	2,419,386	**-**	**-**	**-**	**2,419,386**

33 Fair value of financial instruments

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:

STATEMENT OF VALUE ADDED

for the year ended 31 December 2013

	31/12/2013 N'000	%	31/12/2012 N'000	%
Revenue	21,694,657		21,825,927	
Other income	150,734		604,635	
	21,845,391		22,430,562	
Bought in materials and services:				
- Imported	(1,387,514)		(1,237,167)	
- Local	(12,487,625)		(11,088,534)	
Value added	**7,970,252**	**100**	**10,104,861**	**100**
Applied as follows				
To pay employees				
Salaries, wages and other benefits	3,300,560	41	2,702,782	27
To pay governments				
Taxes	255,956	3	2,090,966	21
To provide for replacement of assets and future growth				
- Depreciation	1,817,391	23	1,890,731	19
- Amortization	7,437	0	37,612	0
- Deferred taxation	(235,403)	(3)	257,922	3
- Retained profit	2,824,311	35	3,124,848	31
	7,970,252	**100**	**10,104,861**	**100**

"Value added" represents the additional wealth which the Company has been able to create by its own and employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance and shareholders and the amount retained for the future creation of wealth.

FINANCIAL SUMMARY
for the year ended 31 December 2013

	31/12/2013 N'000	31/12/2012 N'000	31/12/2011 N'000	1/1/2011 N'000
Assets/liabilities				
Property, plant and equipment	48,649,149	48,271,636	49,527,100	50,451,312
Intangible assets	78,699	82,345	39,893	107,526
Net current assets	10,962,352	9,359,122	4,874,136	1,552,495
	59,690,200	57,713,103	54,441,129	52,111,333
Finance lease obligation	-	-	(34,567)	(62,945)
Retirement benefit obligation	(3,021,485)	(2,491,879)	(2,084,733)	(1,870,706)
Deferred tax liabilities	(9,506,675)	(5,706,979)	(5,594,897)	(5,507,771)
	47,162,040	**49,514,245**	**46,726,932**	**44,669,911**
Capital and reserves				
Share capital	1,119,727	1,119,727	1,119,727	995,313
Other reserves	-	-	-	124,414
Retained earnings	46,042,313	48,394,518	45,607,205	43,550,184
	47,162,040	**49,514,245**	**46,726,932**	**44,669,911**
Turnover and profit				
Turnover	21,694,657	21,825,927	20,780,234	
Profit before taxation	2,844,864	5,473,736	4,144,287	
Profit after taxation	2,824,311	3,124,848	2,885,963	
Other comprehensive income for the year net of taxes	(207,924)	(340,294)	(157,106)	
Per share data (kobo)				
Earnings per share (Kobo):				
- Basic	126	140	129	
Net assets per share (Kobo)				
- Basic	2,106	2,211	2,087	
Dividend per share (kobo)	42	42	40	
Cement deliveries ('000 tonnes)	21	741	775	

Note:
Earnings per share are based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each year financial year.

Net assets per share are based on net assets and the number of issued and fully paid ordinary shares at the end of each year financial year.

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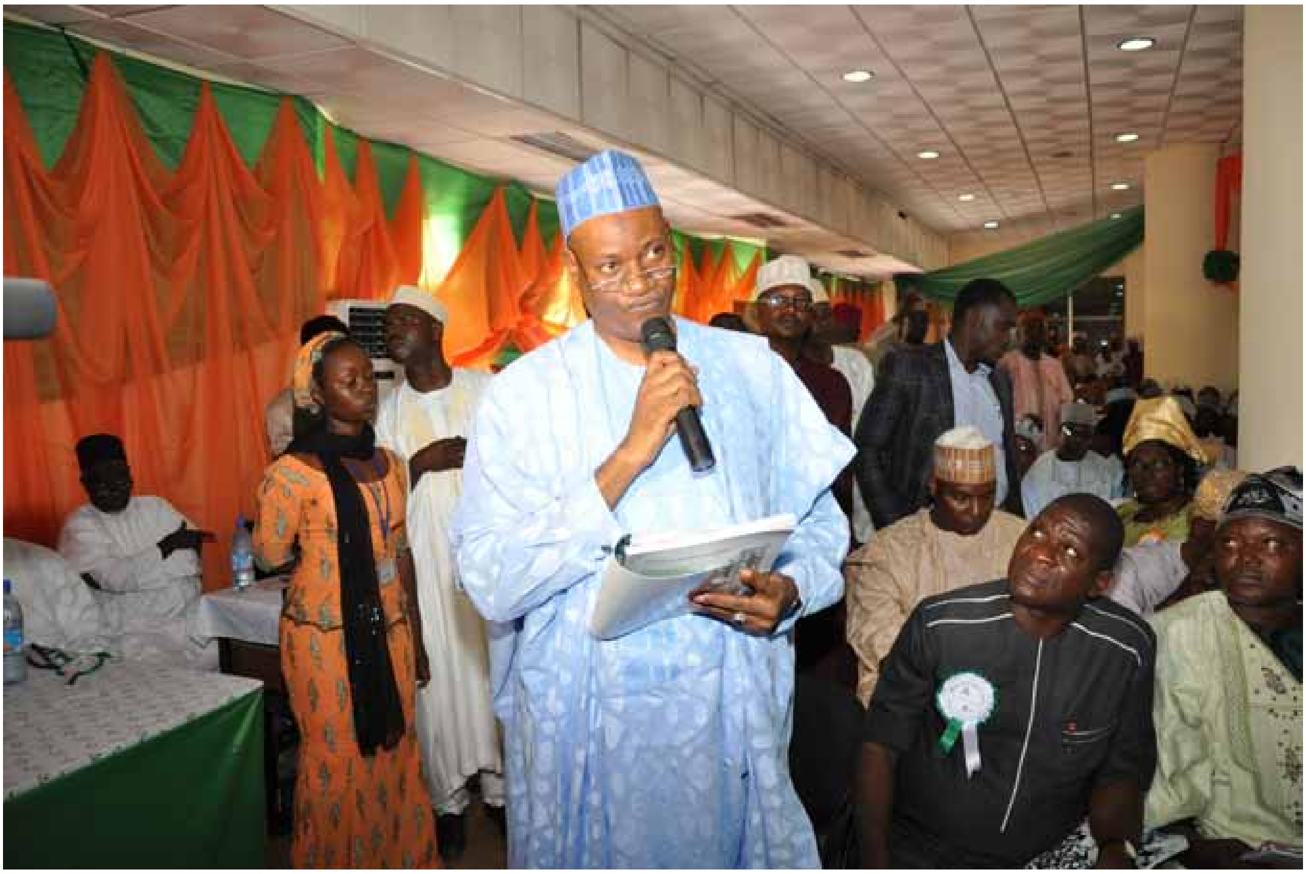
General Manager, Manufacturing, Graeme Bride, engages staff during the launch of the new Lafarge corporate brand positioning in AshakaCem.


A shareholder makes a point during the 2012 AGM in Bauchi State.

4

SHAREHOLDING AND OTHER INFORMATION

SHAREHOLDING INFORMATION

REGISTER RANGE ANALYSIS AS AT 31/ 12/ 13

Range			No. of Holders	Percent	Unit	Percent
1	-	500	10,969	15.3194	2,801,330	0.1251
501	-	1000	8,613	12.029	6,426,462	0.287
1001	-	5000	34,921	48.771	82,545,890	3.686
5001	-	10000	8,416	11.7539	58,880,840	2.6293
10001	-	25000	5,310	7.416	80,587,006	3.5985
25001	-	100000	2,562	3.5781	115,161,824	5.1424
100001	-	500000	657	0.9176	130,430,387	5.8242
500001	-	1000000	69	0.0964	48,142,228	2.1497
1000001	-	2239453125	85	0.1187	1,714,477,158	76.5578
Grand Total			**71602**	**100**	**2,239,453,125**	**100**

UNCLAIMED DIVIDEND AND SHARE CERTIFICATE

The company has posted to all shareholders a list of unclaimed dividend. In addition, the list of unclaimed dividend and share certificate as at December 31st, 2013 520,570,372.82.

The Company Registrars have advised that the total amount outstanding as December 31st, 2013 is 520,570,372.82

This amount is still being held by the Registrar.

SHARE CAPITAL HISTORY

AUTHORIZED		ISSUED AND FULLY PAID UP						
			OTHER THAN BY BONUS		BONUS CURRENT ISSUE		TOTAL	
YEAR	NUMBER OF SHARES	AMOUNT N'000	NUMBER OF SHARES	AMOUNT N'000	NUMBER OF SHARES	AMOUNT N'000	NUMBER OF SHARES	AMOUNT N'000
2000	590,000,000	295,000	585,000,000	292,500	0	0	585,000,000	292,500
2001	590,000,000	295,000	0	0	0	0	585,000,000	292,500
2002	590,000,000	295,000	0	0	0	0	585,000,000	292,500
2003	880,000,000	440,000	0	0	292,500,000	146,250	877,500,000	438,750
2004	880,000,000	440,000	0	0	0	0	877,500,000	438,750
2005	880,000,000	440,000	0	0	585,000,000	292,500	1,462,500,000	731,250
2006	1,465,000,000	732,500	0	0	243,750,000	121,875	1,706,250,000	853,125
2007	1,706,750,000	854,375	0	0	0	0	1,706,250,000	853,125
2008	3,000,000,000	1,500,000	0	0	284,375,000	142,188	1,990,625,000	995,313
2009	3,000,000,000	1,500,000	0	0	0	0	1,990,625,000	995,313
2010	3,000,000,000	1,500,000	0	0	0	0	1,990,625,000	995,313
2011	3,000,000,000	1,500,000	0	0	248,828,125	124,414,063	2,239,453,125	1,119,727
2012	3,000,000,000	1,500,000	0	0	0	0	2,239,453,125	1,119,727
2013	3,000,000,000	1,500,000	0	0	0	0	2,239,453,125	1,119,727

AREA OFFICES AND DEPOTS

Liaison Offices (Abuja and Kano with Depots)

Abuja (Depot Office):
No. 54, Karu
New Town, Abuja,
F.C.T.

Abuja (Liaison Office)
No 54 Lome Crescent,
Wuse Zone 7,
Abuja.

Lagos:
Plot 193.Jide Oki Street,
Victoria Island annex
P.M.B 12696,Lagos.

Kano:
1, Audu Bako Way,
Kano, Nigeria.

Gombe:
New Commercial Area,
Gombe.
08083134272

Jalingo:
Hammaruwa Road,
Jalingo.

AREA OFFICES AND DEPOTS

Kaduna:
Kaduna North Railway Station,
Abaphagba,
Kaduna.
08083134235

Bauchi:
Ahmadu Bello Way,
Bauchi.
08083133905

Jos:
Railway Depot,
Ahmadu Bello Way.
08083134234

Maiduguri:
Railway Goods Shade,
Maiduguri.
08083134271

Damaturu:
Maiduguri Road,
Damaturu.
08083134276

Katsina:
2, Ibrahim Babangida Way,
Katsina.

Yola:
No. 40 Atiku Abubakar Road,
Yola.

MANDATE FOR E-DIVIDEND PAYMENT

TO:
The Registrars
City Securities Registrars Ltd,
358 Herbert Macaulay Way,
Yaba, Lagos.

Please credit my account at Central Securities Clearing System (CSCS) with shares and/or bonus due to me from holdings in AshakaCem Plc:

SHAREHOLDER'S FULL NAME:____

(Surname First)

____

ADDRESS:____

SIGNATURE:____

GSM NUMBERS:____

NAME OF BANK____

BANK BRANCH:____

BANK ADDRESS:____

ACCOUNT NO:____

SORT CODE:____

Authorised Signature and Stamp of Bank

Note: Please be informed that by filling and sending this form to our Registrar, City Securities Limited, for processing, you have applied for the e-dividend; thereby authorizing AshakaCem Plc to credit your account (in respect of dividends) electronically.

TO:
The Registrars
City Securities Registrars Ltd.,
358 Herbert Macaulay Way,
Yaba, Lagos.

PROXY FORM

The 39th Annual General Meeting of AshakaCem Plc will be held at
Transcorp Hilton Hotel, Abuja, Nigeria on Tuesday, 17th June 2014 at 11.00am.

I/We* ____being a member/members of AshakaCem Plc hereby appoint***

____of ________________________________Or failing him the

Chairman of the Meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on Tuesday, 17th June 2014 and at any adjournment thereof.

Dated this _____ day of ________ 2014

____
Shareholder's Signature

Resolutions	For	Against	Abstain
1. To declare a dividend.			
2a. To re-elect Directors: Hajiya Hamra Imam			
Mr. John William Stull			
Chief Kolawole Babalola Jamodu, OFR			
Dr. Abubakar Ali Gombe			
2b. To elect Directors: Mr. Leonard Palka			
Mr. Guillaume Roux			
Mr. Bruno Bayet			
3. To authorize the Directors to fix the remuneration of the External Auditors.			
4. To elect members of the Audit Committee.			

Please indicate "X" in the appropriate space 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.

NOTES:
Please sign this form and post it to reach the address overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

- Shareholder's name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted.
- Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead.

4

ASHAKACEM PLC

39TH ANNUAL GENERAL MEETING
SHAREHOLDERS ADMISSION CARD

Please admit the shareholder on this form or his/her duly appointed proxy to the Annual General Meeting to be held at Transcorp Hilton Hotel,Abuja, Nigeria on Tuesday, 17th June 2014 at 11 a.m.

Name of Shareholder ______________________________

____
Number of Shares Held

____
Signature of Person attending

Note: This form should be completed, signed, torn off and produced by the Shareholder or his/her duly appointed proxy in order to gain entrance to the venue of the meeting.

The Registrars
City Securities Registrars Ltd.,
358 Herbert Macaulay Way,
Yaba, Lagos.