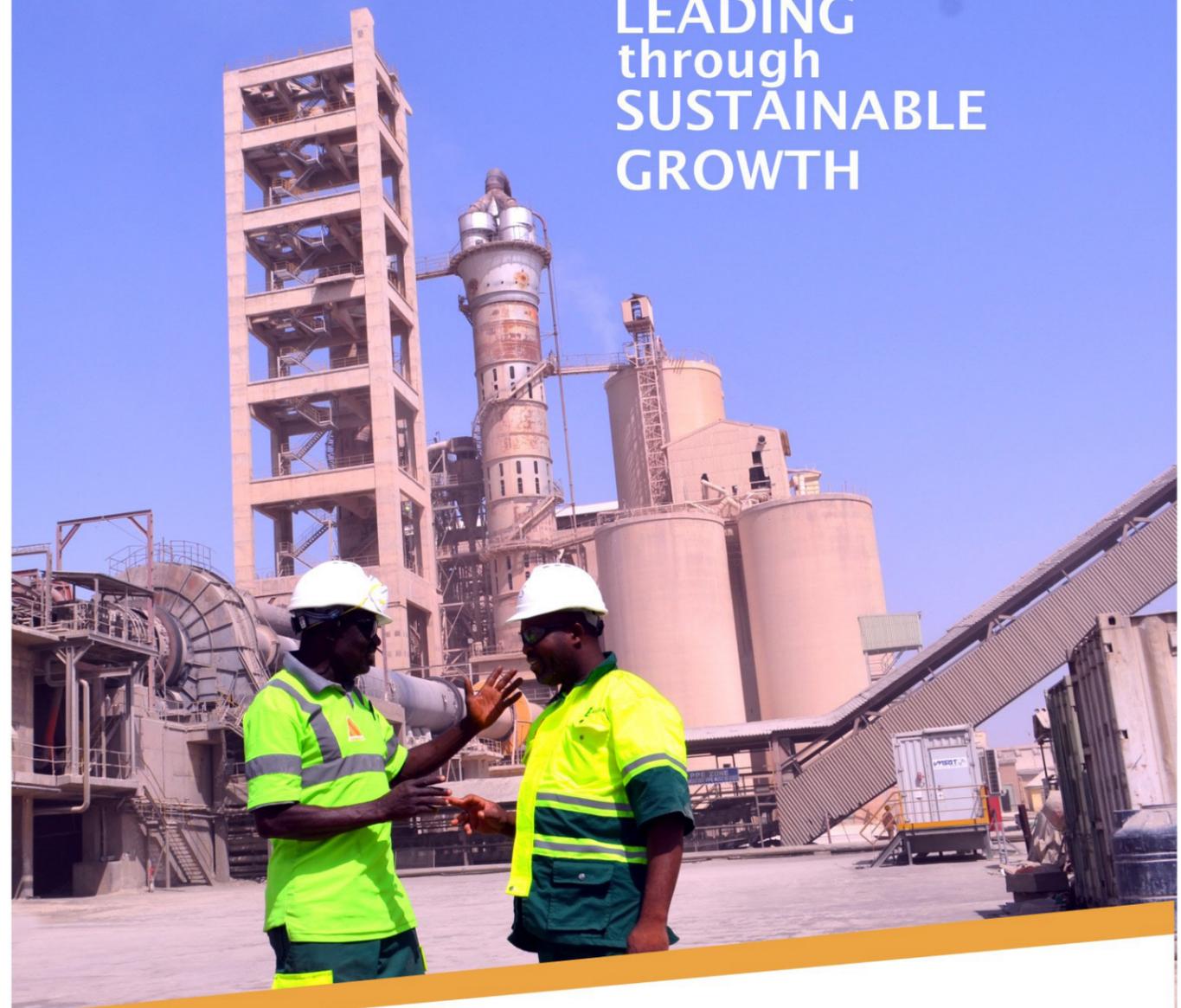


2014 ANNUAL REPORT ASHAKACEM PLC

LEADING through SUSTAINABLE GROWTH



AshakaCem Plc

2014 Annual Report

AshakaCem Plc
Ashaka Works, near Gombe, Gombe State
Kano: 1, Audu Bako Way.
Abuja: FCT: No.54, Lome Street, Wuse Zone 7
Lagos: Plot 193, Jide Oki Street, Victoria Island Annex
www.ashaka.lafarge.com



A subsidiary of **LAFARGE**



BUILDING STRONG VALUES...



FROM THE NORTH

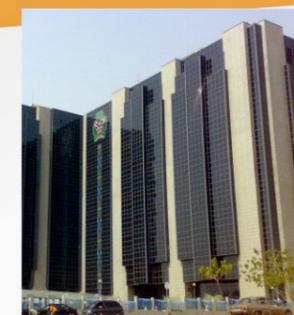
AshakaCem Plc, a member of the Lafarge Group, aims to serve the needs of our customers, shareholders, employees and the community at large by producing profitably and consistently cement of the highest quality. Little wonder it is called the 'Star of the North' by its growing number of customers. This is in line with our vision which is "to be the leading cement manufacturing and marketing company in the northern region and to create value to our stakeholders".

Ashaka Cement Plc: Ashaka Works Near Gombe, Gombe State.
Tel: +234 8022924941, +234 8022924942. www.ashakacem.com.



A subsidiary of **LAFARGE**

BUILT TO LAST



The cement we produce at **AshakaCem** is associated with monuments that are **Built To Last**



A subsidiary of **LAFARGE**

Ashaka Works, near Gombe, Gombe State

Kano: 1, Audu Bako Way,

Abuja: FCT: Plot 418, Lome Street, Wuse Zone 7

Lagos: Plot 193, Jide Oki Street, Victoria Island Annex

www.ashaka.lafarge.com

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WORLD LEADER

BUILDING BETTER CITIES

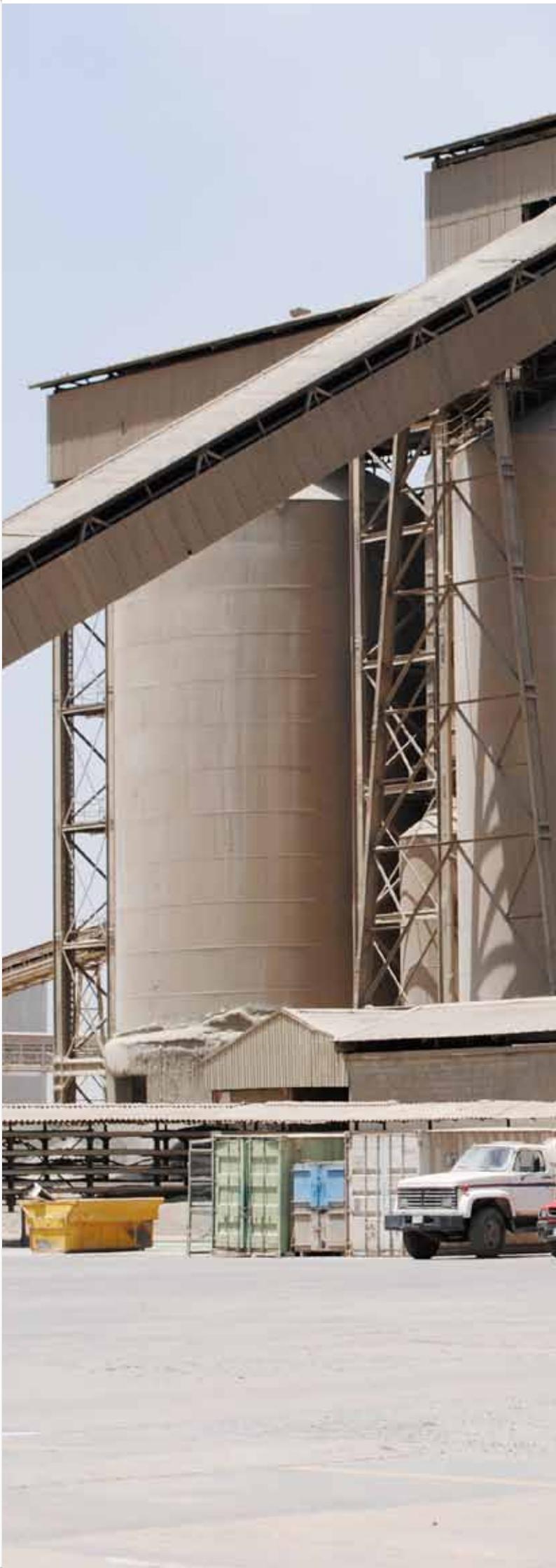


Lafarge has been contributing to the development of Nigeria for over 50 years, putting values at the fore front of the way we do business: health and safety, environmental protection, corporate governance, people development and social responsibility

We leverage on our global leadership in building materials since 1833 to provide a full range of **quality, reliable** and **sustainable** solutions to meet Nigeria's building needs.

www.lafarge.com.ng

**LAFARGE**
Building better cities™

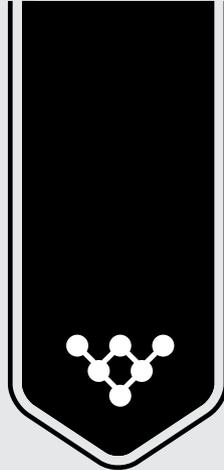


1

PROFILE PRESENTATION

AshakaCem Plc	4
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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, shareholders 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 of 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, 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). Lafarge Nig (UK) Limited took over from Blue Circle Industries Plc as the majority shareholder following the take-over

of Blue Circle by Lafarge SA of France. In 2014, as part the asset consolidation strategy of the Lafarge Group, the 58,6% shares held by Lafarge Nig (UK) Limited was sold to Lafarge Africa Plc in exchange of newly issued shares. In 2015, and in line with regulatory requirements, Lafarge Africa Plc launched a Mandatory Tender Offer (MTO) for the remaining shares of AshakaCem Plc. At the conclusion of the offer, the Company's shareholding structure is:

- a. Lafarge Africa Plc - 82.5%
- b. Nigerian Investors - 17.5%.

In spite of the insurgency faced by the Company during the last quarter of 2014, there has been significant improvement in the performance of the Company as a result of the coal project at Maiganga and the coal

substitution. The Company now uses lignite from its coalmine with positive impact on profitability for the benefit of the 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 Corporate Social Responsibility 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 to strengthen this partnership.



Ashaka Cement head office.

THE LAFARGE ADVANTAGE



Lafarge Research Centre, Lyon.

THE LAFARGE ADVANTAGE

Created in 1833, the Lafarge Group, headquartered in France, is a world leader in building materials, with top-ranking positions in three of its activities: No 1 worldwide in Cement, No 2 worldwide in Aggregates and No 4 worldwide in Concrete.

Located in 61 countries with 63,000 employees, Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses.

In 2014, Lafarge posted sales of 12,8 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 its strategy and actions against global warming. The Lafarge Technical Centre in Lyon, France 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 advances 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 efficiency.

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

The announcement by Lafarge and Holcim of their proposed merger of equals on April 7, 2014 marks a new historic milestone in the development of the Group: the creation of the leading group in the advanced building materials industry to better serve the growth of the markets.

PRESENCE IN AFRICA

With substantial shareholding in Lafarge Africa Plc, AshakaCem Plc (Ashaka), Atlas Cement, Port-Harcourt and in Unicem, Calabar, Lafarge holds leadership position in the Nigeria 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 of 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.

INNOVATION

Research & Development is the cornerstone of innovation at Lafarge. The company combines best-in-class technical expertise, the latest equipment and the most noteworthy international research partners to offer an R&D capacity that is unmatched in its sector. The goal is simple: to develop innovative construction solutions generating value for clients and contributing to building better cities.

Lafarge has 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).

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 the quality of lives by setting up development programs in the key areas of healthcare, shelter, education and youth empowerment in a sustainable manner.

Lafarge has set for itself firm targets to make its business more sustainable and contribute positively to local social and economic development. Our Sustainability Ambitions 2020 plan articulates additional programmes (both international and local) organized around 34 ambitions based on three pillars that will establish us as a leading sustainability company: Building Communities, Building the Circular Economy and Building Sustainably.

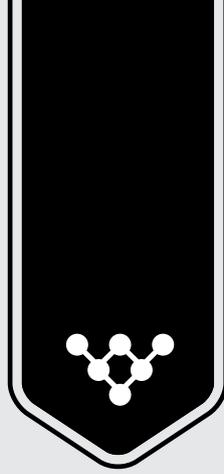
The following principles are the hallmark of the Lafarge Group's business operations: Health and Safety, People Development, Corporate Governance, Customer Care/Market Orientation, Corporate Social Responsibility,

Performance, Value Creation, Respect for Employees and Local Culture, Environmental Protection, Conservation of Natural Resources and Energy.

BUILDING CONSISTENCY IN THE AFRICAN MARKET

AshakaCem Plc 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.





GROUP PROFILE

KEY FIGURES

(at December 31, 2014)

61

countries

63,000

employees

12,843

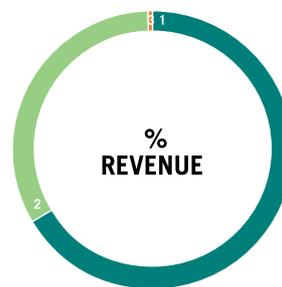
revenues
in million euros

1,612

production sites

KEY FIGURES BY ACTIVITIES

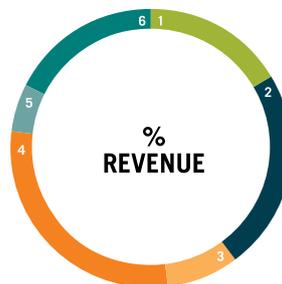
(at December 31, 2014)



1. Cement	66.5%
2. Aggregates and concrete	33.1%
3. Other	0.4%

KEY FIGURES BY GEOGRAPHIC AREA

(at December 31, 2014)

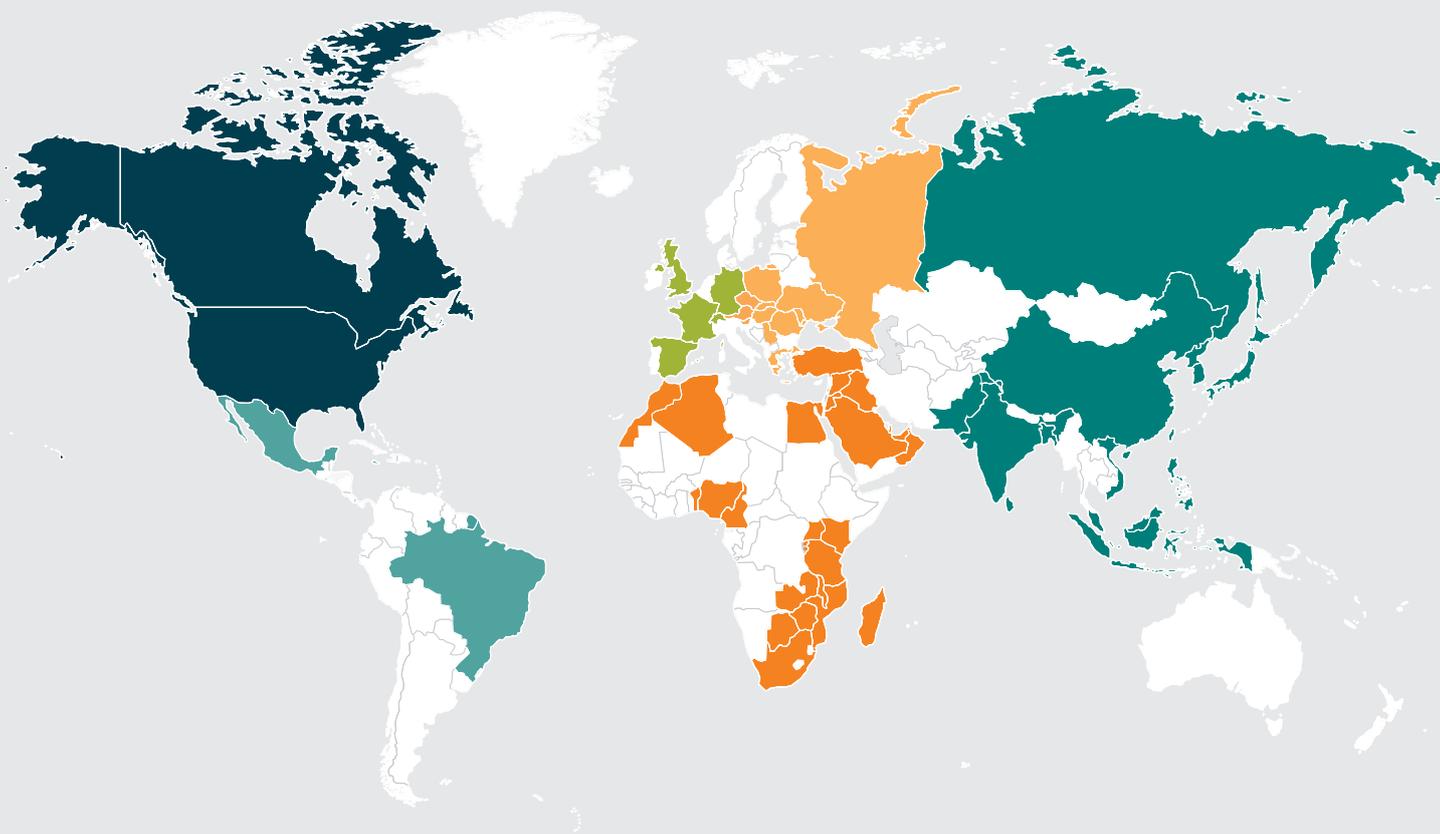


1. Western Europe	16.4%
2. North America	23.5%
3. Central and Eastern Europe	8.3%
4. Middle East and Africa	28.9%
5. Latin America	5.5%
6. Asia	17.4%

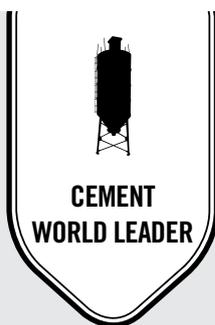
LAFARGE WORLDWIDE (December 31, 2014)

1

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, 2014 (plants and sales offices).

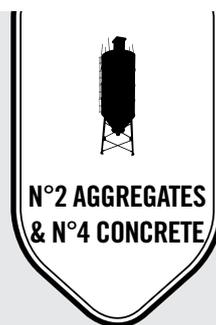


55
countries

37,000
employees

8,545
revenues
in million euros

149
production sites



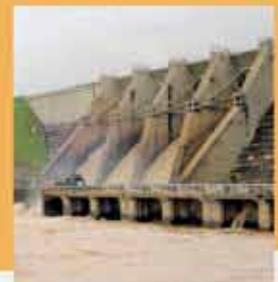
37
countries

26,000
employees

4,253
revenues
in million euros

1,463
production sites

STRUCTURED TO LAST



The cement we produce at **AshakaCem** is associated with monuments that are **Structured To Last**, little wonder we are regarded as **The Star of the North**



A subsidiary of **LAFARGE**



www.lafarge.com.ng

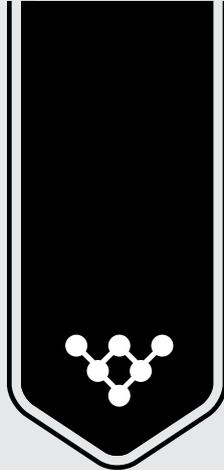


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DIRECTORS' AND STATUTORY INFORMATION

DIRECTORS:

Mallam Suleiman Yahyah, OON	- Chairman
Mr. Leonard Palka	- Managing Director/CEO
Mr. Guillaume Roux	- Director
Mr. Bruno Bayet	- Director
HRH Alh. Abubakar Muhammad Kwairanga	- Director
Mr. Anders Kristiansson	- Director (Appointed 12/03/15)
Mrs. Edith Onwuchekwa	- Director (Appointed 12/03/15)
Mallam Rabi'u Abdullahi Umar	- Director (Appointed 12/03/15)
Alhaji Umaru Kwairanga	- Chairman (Resigned 10/03/15)
Mr. John Stull	- Vice Chairman (Resigned 10/03/15)
Mrs. Hamra Imam	- Director (Resigned 10/03/15)
Senator Muhammed Muhammed, OFR	- Director (Resigned 10/03/15)
Dr. Abubakar Ali Gombe	- Director (Resigned 10/03/15)
Chief Kolawole Babalola Jamodu, CFR	- Director (Resigned 10/03/15)
Alhaji Lamido Abba Tukur	- Director (Resigned 10/03/15)

COMPANY SECRETARY/LEGAL ADVISER:

Bello A. Abdullahi Esq.

REGISTRATION NUMBER:

RC 13422

REGISTERED OFFICE:

Ashaka Works, Near Gombe,
Gombe State, Nigeria

AUDITORS:

Akintola Williams Deloitte
(Chartered Accountants)
4th Floor, Bank of Industry Building
Plot 256, Zone AO Cadestral
Off Herbert Macaulay Way
Central Business District
Abuja, FCT

REGISTRARS:

CardinalStone (Registrars) Limited
(Formerly City Securities Limited)
358 Herbert Macaulay, Yaba
Lagos

BANKERS:

Access Bank Plc
Citi Bank Nigeria Limited
First Bank of Nigeria Plc
First City Monument Bank Plc
Guaranty Trust 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. 3 Dorawa Road, Nassarawa
Nasarawa, P.O. Box 895, Kano
Nigeria

Giwa Osagie & Co.
No. 4, Lalupon Close, Off Keffi
S.W. Ikoyi, Lagos
Nigeria

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

Mamman Z. Jakonda & Co.
37, Murtala Moh'd Way
6th floor, suite 4, Jos Plateau State
Nigeria

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting of ASHAKACEM PLC will be held at TRANSCORP HILTON HOTEL ABUJA on Tuesday, 5th May, 2015 at 11 a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the year ended 31st December 2014, 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 Auditors.
5. To elect members of the Audit Committee.

SPECIAL BUSINESS

6. To consider, and if thought fit, pass an ordinary resolution to approve the remuneration of the Directors.
7. To consider, and if thought fit, pass the following as special resolution:

“That the Memorandum and Articles of Association of the Company be and are hereby amended as follows:

- a. Article 3 – The words “The share capital of the Company as at the date of the adoption of these Articles is 732,500,000 divided into 1,465,000,000 ordinary shares of 50 kobo each” should be deleted and be substituted with the words “The share capital of the Company as at the date of the adoption of these Articles is 1,119,727,000 divided into 2,239,454,000 ordinary shares of 50 kobo each.”

- b. Article 54 – The words “Save as herein otherwise provided, three members present in person or by proxy shall be a quorum and no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business” should be deleted and be substituted with the words “Save as herein otherwise provided, thirteen members present in person or by proxy shall be a quorum and no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.”

- c. Article 76 – The words “Unless and until otherwise determined by the Company in general meeting the number of Directors shall not be less than four or more than twelve” should be deleted and be substituted with the words “Unless and until otherwise determined by the Company in general meeting the number of Directors shall not be less than four or more than nine.”

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, Cardinal Stone (Registrars) 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 6th day of May 2015, to members whose names appear in the Register of Members at the close of business on the 20th day of April 2015.

CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed on the 21st April 2015 to 4th May 2015 (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 26th March, 2015

REGISTERED OFFICE

Ashaka Works,
Near Gombe,
Gombe State.



BELLO A. ABDULLAHI

Company Secretary/Legal Adviser

RESULTS AT A GLANCE



	2014 N'000	2013 N'000	% Change
Revenue	21,133,974	21,694,657	(2.58)
Profit before tax	5,250,933	2,844,864	84.58
Profit for the year	4,566,667	2,824,311	61.69
Total comprehensive income for the year	5,040,162	2,616,387	92.64
Retained earnings	50,141,905	46,042,313	8.90
Share capital	1,119,727	1,119,727	-
Shareholders' fund	51,261,632	47,162,040	8.69
PER SHARE DATA:			
Based on 2.239 (2013:2.239) billion ordinary shares of 50k each:			
Earnings per share (Kobo):			
- Basic	204	126	61.69
Net assets per share (Kobo)			
- Basic	2,289	2,106	8.69
Dividend per share (Kobo)	45	42	7.14
Stock Exchange quotation at 31 December (Naira)	21.90	20.99	4.34
Cement deliveries ('000 tonnes)	714	757	(5.68)
Number of employees (number)	602	630	(4.44)

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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 40th Annual General Meeting of our Company, AshakaCem Plc.



Mallam Suleiman Yahyah, OON
Chairman
AshakaCem Plc

I would like to use the opportunity of today's meeting to thank you our shareholders, the Board, Management and staff of AshakaCem Plc for giving me the opportunity to sit on this chair. It is a privilege to be the Chairman of this great company, 'the star of the North'.

I now present to you the performance of Ashakacem for the 2014 financial year and the effects of the economic environment under which it operated.

Business Environment

As we all know, stability in government and regulatory policies are key to positive economic growth. While there was relative stability in governance, economic parameters of interest, inflation and exchange rates, broadly kept changing during the year 2014. Moreover, toward the end of the year, the Naira exchange rate was devalued due partly to the fall in the price of crude oil, external weakness in our reserves and the bearish run in the equities market arising from the re-balancing of assets, particularly by foreign portfolio investors.

Domestic demand for cement in 2014 was flat, there was no remarkable change from the demand in 2013. However, we should remain confident in the midterm growth in demand, especially following successful conduct of elections in the country.

The Nigerian economy continues to offer opportunities but the capacity

of manufacturers to harness the opportunities is constrained by the prevailing challenges of the operating environment. The key concern has since been an improvement in electric power supply from the national grid (which remains marginal) and the high cost of electricity tariff following the privatization of the generation and distribution of electricity by the Federal Government of Nigeria.

Security challenges in the north-eastern part of the country led to two insurgency incidents in the Company. Despite these unfortunate events, the company's economic and social activities have continued.

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 remain our key objective. Our focus on health and safety ultimately benefits all our stakeholders as it assures the stability of our operations. To deepen awareness on the importance of health and safety, I am pleased to report to our shareholders, we have continued trainings and briefings at all levels of our operations on identification and control of workplace risks.

Results for the Year

Total cement dispatched for the year closed at 714 metric tons, down by 5.7% on 2013. This was caused mainly by the instability in the north-east region of the country. Also, the

turnover decreased by approximately 2.6% as a result of increased self-collection of cement by distributors, which excludes haulage costs from selling prices. Decrease in the cost of sales and the consequent increase in profit before taxation partly resulted from increased use of local coal in place of the expensive LPFO.

Tax charged for the year increased to N684.26 million from N20.6 million in 2013. The noticeable difference in the taxes is traceable to the impact on the previous years' financial results of the Pioneer Status granted on the company's coal mine.

Proposed Dividend

In consideration of the Company's 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, partly with internally generated funds, the Board of Directors resolved to recommend to the shareholders at today's meeting a gross dividend of 45 kobo on every ordinary share in issue. In absolute term this represents an increase of 7.1% over dividend for 2013.

Board Changes

Since the last Annual General Meeting, Messrs Umaru Kwairanga (Chairman), John William Stull (Vice Chairman), Sen. Muhammed A. Muhammed (OFR), Kola Babalola Jamodu (CFR), Dr Abubakar Ali Gombe, Lamido Abba Tukur and Hamra Imam (Mrs) have resigned from the Board; and Messrs Anders Kristiansson, Edith Onwuchekwa (Mrs) and Rabiul Abdullahi Umar have been appointed. The profiles of the new Directors are provided on pages 22 and 23 of this Annual Report. On 12th March, 2015, the Directors appointed me Mallam Suleiman Yahyah as the Chairman of the Board. My profile is also provided on page 20 of this Annual Report.

On behalf of the shareholders and the Board of Directors, I would like to acknowledge with gratitude the contributions of the Directors that resigned and to wish them success in their future endeavours. We also warmly welcome the new Directors on Board.

Future Outlook

The reconstruction projects in the north-east, the deficit in urban housing stock and the urgent need by governments 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 will comprise debottlenecking of the existing line for additional 0.5 million metric tons and installation of a new line of 2.5 million metric tons of cement per annum.

As part of the expansion project, a captive coal-fired power plant of 64 megawatts capacity will be built in order to allow a reliable and sufficient source of power for the existing plant and the new cement line. These capacity expansion when completed will positively impact the socio economic life of the host community and add value to shareholders. We are cautiously optimistic of AshakaCem adding value to all stakeholders.

Appreciation

On behalf of the Board of Directors, please accept our gratitude especially the Management and staff of the Company for your loyalty and dedication in managing the operations of the company in spite of the security challenges faced in 2014.

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

Our immediate host communities have continued to provide the necessary support for our operations to thrive peacefully. They have partnered with us in a mutually beneficial way to ensure that our corporate social responsibility activities achieve the desired objectives and impact. We are indeed very grateful to them all.

I wish to also commend the Gombe State government as well as 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. I look forward to your full participation in the agenda of today's meeting.

Mallam Suleiman Yahyah, OON
Chairman

BOARD OF DIRECTORS' PROFILE

Suleiman Yahyah, OON, 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, he was also a member of Vision 2020-20.

Yahyah holds a Master of Philosophy degree in Economics and Politics of Development from Cambridge University, England and First Class Honours degree in economics from Bayero University Kano. He is a trained investment banker with Chase Manhattan/Continental Bank, a qualified chartered stockbroker, and a specialist in debt securitization as well as 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. As a pioneer member/director of the Investments and Securities Tribunal (IST) from 2003 to 2007, he actively participated in the amendment of ISA 2007.

Yahyah is currently the Chairman, Abuja Business Council; Chairman of NAHCO Aviance PLC; and Chairman of Rosehill Group. He is an accomplished strategist who has attended many leadership and strategic training programmes in Nigeria and several other countries. He was appointed a director of AshakaCem Plc in 2011 and Chairman of the Board in March 2015.



SULEIMAN YAHYAH, OON
CHAIRMAN

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.



LEONARD PALKA
MANAGING DIRECTOR/CEO

BOARD OF DIRECTORS' PROFILE

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.



GUILLAUME ROUX
DIRECTOR

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Bruno Bayet (Belgian) holds a Master of Business Administration degree from the Georgetown University, Washington D.C and a postgraduate degree in Financial Risks Management with honors. He was Manager and specialized in Corporate Finance with PricewaterhouseCooper from 1998 to 2005. He then joined Groupe Bruxelles Lambert from 2005 to 2011 in the Investments team. Prior to joining Lafarge, he was Executive Committee Member of Enterprise Generale Malta Forrest (RDC) from 2011 to 2013, specialized in the mining and construction industry and has gained over 15 years experience in Materials and Construction Industry. He was appointed a Director in December 2013.



BRUNO BAYET
DIRECTOR

BOARD OF DIRECTORS' PROFILE

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.



Mr. Anders Kristiansson (Swedish) started his career with Procter & Gamble (P&G) in Scandinavia and thereafter worked for P&G in South Africa. He was the Global Divisional Controller for Eaton Automotive working in Europe and North America, where after he went back to Africa to oversee Celtel's (today Aritel) finance departments across its African operations as Director of Financial Operations. He moved to Nigeria in 2008 as Group CFO for PZ Cussons Nigeria, managing Finance and IT for PZ's five Nigerian companies. Prior to joining Lafarge, he was the CFO for NBC/Coca-Cola HBC's operations in Nigeria. He holds a Master of Science Degree in Business Administration and Economics from the Gothenburg University, Sweden. He was appointed a Director of Lafarge Africa Plc on 27th October 2014 and a Director of AshakaCem Plc on 12th March 2015.



BOARD OF DIRECTORS' PROFILE

Mrs. Edith Onwuchekwa is currently Country General Counsel/Head, Public Affairs of Lafarge Africa Plc. She joined Lafarge Cement WAPCO Nigeria Plc in April 2005. She became Company Secretary/Legal Adviser of Lafarge WAPCO in 2008. Edith moved to the Lafarge Regional Office in Cairo Egypt in January 2011 as Legal Counsel, Sub-Saharan Africa. Prior to joining Lafarge, she took up various Positions in Nigerian German Chemicals Plc and Jolimair Nigeria Limited as Legal/HR Manager and Company Secretary/Head of Administration respectively. After her National Youth Service in Nigeria, she was actively engaged in legal practice as Head of Chambers and Barrister and Solicitor in reputable law firms in Nigeria. She is a graduate of Law 1997 (LLB), was called to the Nigerian Bar in 1999 (BL) with second class upper honours and is currently an Associate of the Institute of Chartered Secretaries and Administrators of UK, 2009 (ACIS). She was appointed a Director of the Company on 12th March 2015.



**MRS. EDITH
ONWUCHEKWA**
DIRECTOR

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Mall. Rabi'u Abdullahi Umar joined Lafarge Nigeria as the Energy and Power Director in June 2014. Prior to joining Lafarge, he worked in Oando Plc for over 14 years holding various leadership positions in sales & marketing, supply chain and general management. He left Oando as the Chief Operating Officer for the Terminal and Logistics arm of the group responsible for downstream infrastructure development and management in Africa. His previous roles include Head of Retail Sales responsible for over 500 Retail outlets and Head of Operations covering supply, storage and distribution of Petroleum products, Engineering and Customer Service. A graduate of Accounting from Bayero University Kano as well as General Management Program from Harvard Business School and a Certified ISO9001:2008 Lead Auditor. He was appointed a Director of the Company on 12th March 2015.



**MALL. RABI'U
ABDULLAHI UMAR**
DIRECTOR

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, 2014.

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

	2014 N'000	2013 N'000
Turnover	21,133,974	21,694,657
Gross profit	8,152,582	5,595,075
Profit before taxation	5,250,933	2,844,864
Taxation	684,266	20,553
Profit after taxation	4,566,667	2,824,311
Earnings per share	204	126
Dividend (kobo)	45	42

The Board of Directors is proposing a gross dividend of 45kobo on every ordinary share in issue. This amounts to N1.0billion. The proposed dividend if approved by shareholders is subject to deduction of withholding tax at the appropriate rate.

Board Appointments

Alh. (Dr.) Umaru Kwairanga (former Chairman) resigned from the Board on 10th March 2015 to join the Board of Lafarge Africa Plc. Also Messrs John William Stull (former Vice Chairman), Sen. Muhammed A. Muhammed, OFR, Kola Babalola Jamodu, CFR, Dr Abubakar Ali Gombe, Lamido Abba Tukur and Hamra Imam (Mrs) have resigned from the Board on that date. On 12th March 2015 Messrs Anders Kristiansson, Edith Onwuchekwa (Mrs) and Rabiu Abdullahi Umar were appointed as Non-Executive Directors. Their profiles are provided on pages 20 to 23 of this Annual Report. Also on 12th March, 2015 the Directors appointed Mallam Suleiman Yahyah, OON as the Chairman of the Board. His profile is also provided on page 20 of this Annual Report.

Retirement by Rotation

In accordance with Articles 88, 89, 90, 92, 93 and 108 of the Articles of Association of the Company, the Director to retire by rotation is HRH Alh. Abubakar Muhammad Kwairanga and being eligible, he offers himself 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:

Directors Shareholding as at December 31, 2014

NAMES	HOLDINGS	% HOLDINGS
Mallam Suleiman Yahyah,OON	469,286	0.021
HRH Abubakar M. Kwairanga	2,380	0.0001
Mr. Leonard Palka	NIL	NIL
Mr. Guillaume Roux	NIL	NIL
Mr. Bruno Bayet	NIL	NIL
Mr. Anders Kristiansson	NIL	NIL
Mrs. Edith Onwuchekwa	NIL	NIL
Mallam Rabiuh Abdullahi Umar	NIL	NIL
TOTAL	471,666	0.0211

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 2014 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 31st December, 2014, Lafarge SA held through its subsidiary Lafarge Africa Plc 58.61% of the issued and paid ordinary share capital of the company.

SHAREHOLDER CATEGORY	UNIT OF SHARES	%
Foreign shareholder LAFARGE AFRICA PLC	1,312,444,260	58.6056
Nigerian shareholders 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.

REPORT OF THE DIRECTORS CONTINUED

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 2014 are available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman and the Board met thirteen 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.

Board of Directors Meeting

Name	4/2/14	11/2/14	20/2/14	25/3/14	16/6/14	10/7/14	26/8/14	7/11/14	13/11/14	17/11/14	24/11/14	2/12/14	17/12/14
Umaru Kwairanga	√	√	√	√	√	√	√	√	√	√	√	√	√
Leonard Palka	√	√	√	√	√	√	√	√	√	√	√	√	√
Guillaume Roux	√	√	√	√	x	√	√	√	√	x	x	√	x
Dr. Abubakar Ali Gombe	√	√	√	x	√	√	√	√	√	√	√	√	x
Hamra Imam (Mrs.)	√	√	√	√	√	x	√	x	x	x	x	x	x
Chief Kolawole Jamodu, OFR	√	x	√	√	√	√	√	x	√	√	√	√	√
Lamido Abba Tukur	√	√	√	√	√	√	√	√	√	x	√	√	x
Sen. Muhammed Muhammed, OFR	√	√	√	√	√	x	√	√	√	√	√	√	√
Suleiman Yahyah, OON	√	√	√	x	√	√	√	√	√	√	√	√	√
HRH Abubakar M.Kwairanga	x	√	√	√	√	√	√	x	√	x	√	√	√
John Stull	x	x	√	x	√	x	√	x	x	x	x	x	x
Bruno Bayet	√	x	√	√	√	√	√	√	√	√	√	√	√

Corporate Audit Committee

Name	13/3/14	26/3/14	17/9/14	23/10/14
Maigana Mohammed Lamido	√	√	Resigned	Resigned
Sabo Mohammed Usman	√	√	√	√
Paul Olele	√	√	√	√
HRH Abubakar M. Kwairanga	√	√	√	√
Sen. Muhammed Muhammed, OFR	√	√	√	√
Bashir Mohammed (Appointed 17/06/14)	x	x	√	√

Establishment Committee

Name	19/2/14	20/3/14	12/6/14	15/6/14
Hamra Imam (Mrs.)	√	√	√	√
Dr. Abubakar Ali Gombe	√	√	√	√
Leonard Palka	√	√	√	√

Finance & General Purpose Committee

Name	24/3/14	29/4/14	30/7/14	16/9/14	22/10/14	15/12/14
Sen. Muhammed Muhammed, OFR	√	√	√	√	√	√
Leonard Palka	√	x	√	√	√	√
Chief Kolawole Jamodu, OFR	√	√	√	x	x	x
Bruno Bayet	x	√	√	√	√	√

Projects Committee

Name	25/8/14	15/12/14
Bruno Bayet	√	√
Dr. Abubakar Ali Gombe	√	√
Lamido Abba Tukur	√	√
Suleiman Yahyah, OON	x	√

REPORT OF THE DIRECTORS CONTINUED

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.

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 SEC Code of Corporate Governance and Lafarge code on ethics and business conduct. All employees are aware of these codes and are required to observe the rules of business conduct in relation to the company's business. The Lafarge Code of Business Conduct workshops/trainings 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 2014.

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. Employees' 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 or for any political activity during the year. However, some donations and charitable gifts were made to some communities and organizations which amounted to N365,605,132.00 The detailed breakdown of the expenditure is on page 37.

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, they have indicated their willingness to continue in office. A resolution will be proposed to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



BELLO A. ABDULLAHI

FRC/2013/NBA/00000002301

Company Secretary/Legal Adviser

Dated this 26th March 2015

EXECUTIVE MANAGEMENT TEAM



Mr. Leonard Palka
MD/CEO



Bruno Bayet
Chief Financial Officer



Graeme Melvin Bride
GM, Manufacturing



Abdul - Hameed Balarabe
GM, Projects



Bello A. Abdullahi
Company Secretary/Legal Adviser

SENIOR MANAGEMENT TEAM



Adamu M. Maaji
Works Operations Manager



Dahiru Abbasi Gatugel
Purchasing Manager



Abdulrazaq Ola Ande
National Sales & Marketing Manager



Hauwa B. Ahmed
Head of Administration



Abubakar Hassan
Head of Human Resources



Adamu M. Jungudo
Chief Accountant



Mohammed L. Ibrahim
Internal Control & Audit Manager



Sarki Isa Bajoga
Communication & Community Manager



Hamed Abdulmalik
Health & Safety Manager





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SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



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HEALTH, SAFETY AND ENVIRONMENT

Safety being our core value at AshakaCem Plc, we continue to manage safety 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 and other partners are aware of the importance of our core value of safety and respect for the environment. And we continue to enlist their support of this value in order to make our operations safe.

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 to improve our safety practices.

The environment where we operate is important to us; we shall continue to intensify efforts to ensure that we operate in a way that sustains the environment and is beneficial to all our neighboring communities and future generation as well as being biodiversity conscious. In line with this, and with involvement of our employees, we planted improved variety of fruit samplings in 2014. We plan to build on this in 2015.



First aiders discussing health emergency response.



Housekeeping exercise as part of Health & Safety measures.

HUMAN RESOURCES

We believe that effective recruitment and continuous training are critical to our success. We also 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.

During the year, more than 400 employees attended training courses in Nigeria and overseas.

Employees' Health

As part of our Health and safety programme, AshakCem corroborated with state health sector to conduct a comprehensive health assessment for the Staff, their families and members of our immediate Communities. To ensure that we are able to provide improved medical care for our employees, modern equipments were purchase for the Medical Center (multi parameter monitors, ICU bed, oxygen concentrator and ventilator, scanning and X-ray machine.

Diversity & Inclusion

The Country Organisation and Human Resource Diversity Project Manager 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 2014.



Staff football match in celebration of 365 days without LTI.



Employees celebrates 365 days without LTI.

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.

As part of the Lafarge Group, AshakaCem has keyed into the implementation of 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.



DONATIONS, CHARITABLE GIFTS AND COMMUNITY PROJECTS

COMMUNITY PROJECTS YEAR 2014 CORPORATE SOCIAL RESPONSIBILITY

1	Electrification of Lakwalak and Kalkulum communities	19,325,732.00
2	Relocation of Lariski, Darumpa & Malari (55 houses, school, clinic, 4 boreholes & worship centre)	300,000,000.00
3	Drilling & installation of hand pump (Mark III) at Dindiyayati community	719,625.00
4	Drilling & installation of hand pump (Mark III) at Shuwari J/Madaki community	719,625.00
5	Drilling & installation of solar borehole and overhead tank at Ngasawa Rimi Community	2,950,000.00
6	Drilling & installation of solar borehole and overhead tank at Gongila Community	2,950,000.00
7	Drilling & installation of solar borehole and overhead tank at Zamfara community	2,950,000.00
8	Construction of three houses at Maiganga community	9,327,045.00
9	Construction of 3 rooms at Jillahi District palace	2,803,000.00
10	Renovation of 2 classrooms at Mus`ab school	1,941,105.00
11	Renovation of Maiganga village palace	1,000,000.00
12	Donation of wheel chair & crutches to the physically challenged	100,000.00
13	Donation of domestic items to Bajoga orphanage home	206,000.00
14	Donation of domestic items to Jalingo physically challenged	103,000.00
15	Empowered 220 youths on 7 different skills (Employability project program)	15,510,000.00
16	Scholarship to community university undergraduates	5,000,000.00
Total		365,605,132.00



Block of two classrooms.



Lakwalak electrification project.



Darumpa relocation village.



Water project.

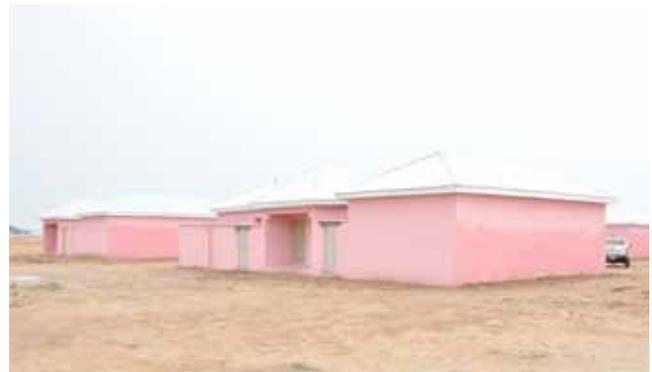
DONATIONS, CHARITABLE GIFTS AND COMMUNITY PROJECTS



Representative of Funakaye LGA Chairman presents tools to the graduate of Employability project.



Representative of HRH Emir of Funakaye presents tools to graduate.





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FINANCIAL STATEMENTS



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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 2014.

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 2014, appear to be true, correct and up to date.

A handwritten signature in black ink, appearing to read 'L. Palka', written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'B. Bayet', written over a horizontal line.

Bruno Bayet
Chief Finance Officer
FRC/2014/IODN/00000009554

STATEMENT OF DIRECTORS' RESPONSIBILITIES



The Directors of Ashakacem Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2014 and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of the company for the year ended 31 December 2014 were approved by directors on 10 March 2015.

On behalf of the Directors of the Company

Leonard Palka
 Managing Director
 FRC/2014/IOD/00000007121

Bruno Bayet
 Chief Finance Officer
 FRC/2014/IODN/00000009554



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 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

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, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AshakaCem Plc as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Other reporting responsibilities

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Folorunso Hunga, FCA-FRC/2013/ICAN/00000001709
For: Akintola Williams Deloitte
Chartered Accountants
Abuja, Nigeria
10 March 2015



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, 2014 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, 2014 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, 2014 were adequate and Management's responses to the Auditors' findings were satisfactory.



Bashir Mohammed
Chairman,
Corporate Audit Committee

Dated this 5th March, 2015

AUDIT COMMITTEE MEMBERS

1. Bashir Mohammed
2. Paul Olele
3. Sabo Mohammed Usman
4. Sen. Muhammed A. Muhammed, OFR
5. HRH Abubakar M. Kwairanga
6. Lamido Abba Tukur



Bashir Muhammed



Paul Olele



Sabo Mohammed Usman



**Sen. Muhammed A.
Muhammed, OFR**



**HRH Abubakar M.
Kwairanga**



Lamido Abba Tukur

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2014

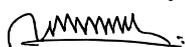
	Note	31/12/2014 N'000	31/12/2013 N'000
Revenue	6	21,133,974	21,694,657
Cost of sales		(12,981,392)	(16,099,582)
Gross profit		8,152,582	5,595,075
Other (expenses)/income	8	(133,982)	150,734
Investment income	9	1,267,065	1,081,607
Administrative expenses	10	(3,393,073)	(3,380,145)
Selling and distribution expenses	11	(641,659)	(602,407)
Profit before tax		5,250,933	2,844,864
Income tax expense	13	(684,266)	(20,553)
Profit for the year	12	4,566,667	2,824,311
Other comprehensive income, net of income tax			
Item that will not be reclassified subsequently to profit or loss:			
Actuarial gains/(losses) (net of income tax)	21.2	473,495	(207,924)
Item that may be reclassified subsequently to profit or loss			
		-	-
Other comprehensive income for the year, net of income tax		473,495	(207,924)
Total comprehensive income for the year		5,040,162	2,616,387
Earnings per share			
Basic (kobo)	26	204	126

STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2014

	Note	31/12/2014 N'000	31/12/2013 N'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	49,747,587	48,649,149
Intangible asset	15	86,028	78,699
Total non-current assets		49,833,615	48,727,848
CURRENT ASSETS			
Inventories	16	3,464,059	4,536,974
Trade and other receivables	17	5,176,449	819,896
Cash and cash equivalents	18	13,052,748	13,338,818
Total current assets		21,693,256	18,695,688
TOTAL ASSETS		71,526,871	67,423,536
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	20	1,119,727	1,119,727
Retained earnings	21	50,141,905	46,042,313
Total equity		51,261,632	47,162,040
NON-CURRENT LIABILITIES			
Retirement benefit obligation	23	2,396,845	3,021,485
Deferred tax liabilities	13	9,739,781	9,506,675
Total non-current liabilities		12,136,626	12,528,160
CURRENT LIABILITIES			
Trade and other payables	24	7,375,996	7,378,850
Finance lease obligation	22	-	-
Provisions	25	-	-
Current tax liabilities	13	752,617	354,486
Total current liabilities		8,128,613	7,733,336
TOTAL LIABILITIES		20,265,239	20,261,496
TOTAL LIABILITIES AND EQUITY		71,526,871	67,423,536

These financial statements on pages 40 to 90 were approved by the Board of Directors on 10 March 2015 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



Bruno Bayet
Chief Finance Officer
FRC/2014/IODN/00000009554

The statement of significant accounting policies on pages 53 to 61 and the notes on pages 62 to 88 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014



	Share capital N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2013	1,119,727	48,394,518	49,514,245
Profit for the year	-	2,824,311	2,824,311
Other comprehensive income for the year, (net of income 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
Profit for the year	-	4,566,667	4,566,667
Other comprehensive income for the year, (net of income tax)	-	473,495	473,495
Total comprehensive income for the year	-	5,040,162	5,040,162
Dividend paid	-	(940,570)	(940,570)
Balance at 31 December 2014	1,119,727	50,141,905	51,261,632

STATEMENT OF CASHFLOWS

for the year ended 31 December 2014

	Note	31/12/2014 N'000	31/12/2013 N'000
Profit for the year		4,566,667	2,824,311
Adjustments to reconcile profit for the year to net cash generated by operating activities:			
Depreciation of property, plant and equipment		1,612,804	1,817,391
Amortisation of intangible assets		13,442	7,437
Write back of property, plant and equipment		-	(30,815)
Loss on disposal of property, plant and equipment		71,026	1,392
Investment income recognised in profit or loss		(1,267,065)	(1,081,607)
Actuarial gains/(losses) (net of income tax)		473,495	(207,924)
Prior year adjustment on deferred tax in respect of revaluation surplus		-	(4,028,022)
Movement in working capital:			
Decrease in inventories		1,072,915	577,048
Increase in trade and other receivables		(4,356,553)	(318,342)
Decrease in trade and other payables		(2,854)	(92,911)
Movement in current tax liabilities		654,087	255,956
Increase in deferred taxation		233,106	3,799,696
(Decrease)/increase in retirement benefit obligation		(624,640)	529,606
Decrease in provisions		-	(17,857)
		(2,120,237)	1,211,048
Cash generated by operating activities		2,446,430	4,035,359
Income taxes paid		(255,956)	(1,992,436)
NET CASH GENERATED BY OPERATING ACTIVITIES		2,190,474	2,042,923
Payments for property, plant and equipment	14	(2,785,919)	(2,168,365)
Payments for intangible assets	15	(20,771)	(3,791)
Investment income		1,267,065	1,081,607
Proceeds from disposal of property, plant and equipment		3,651	2,884
Net decrease in long-term receivables		-	-
NET CASH USED IN INVESTING ACTIVITIES		(1,535,974)	(1,087,665)
Dividend paid		(940,570)	(940,570)
Repayment of borrowings		-	(31,545)
NET CASH USED IN FINANCING ACTIVITIES		(940,570)	(972,115)
DECREASE IN CASH AND CASH EQUIVALENTS		(286,070)	(16,857)
Cash and cash equivalents at beginning of the year		13,338,818	13,355,675
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	13,052,748	13,338,818

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014



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. Ownership structure at the end of the financial year was 41.39% Nigerian and 58.61% is owned by Lafarge Africa Plc.

1.1 Principal business activity

The Company's financial period runs from January 1 to December 31.

2 Financial period

These financial statements cover the financial period from 1 January 2014 to 31 December 2014 with the comparative for the year ended 31 December 2013.

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
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments define an investment entity and introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interest in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities.	1-Jan-14
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 realization and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.	1-Jan-14

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

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-Jan-14
Novation of Derivatives and Continuation of Hedging Accounting (Amendments to IAS 39) Novation of Derivatives and Continuation of Hedging Accounting (Amendments to IAS 39)	The amendment provides relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.	1-Jan-14
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-Jan-14

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

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
Amendments to IFRS 9 Financial Instruments	IFRS 9 Financial Instruments issued in July 2014 is the IASB'S replacement of IAS 39 Financial Instruments: Recognition and Measurement. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it finalized each phase.	1-Jan-18
IFRS 14 Regulatory Deferral Accounts	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under pervious GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income.	1-Jan-16
IFRS 15 Revenue from Contract with Customers	This IFRS establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It is intended to supersede the following standards; <ul style="list-style-type: none"> • IAS 18 Revenue • IAS 11 Construction Contracts • IFRIC 13 Customer Programmes • IFRIC 15 Agreements for the Construction of Real Estate • IFRIC 18 Transfer of Assets from Customers; and • SIC 31 Revenue Barter Transactions Involving Advertising Services. 	1-Jan-17

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

3.2 Accounting standards and interpretations issued but not yet effective (cont'd)

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	The amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 13 Business Combination. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 13 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment of cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied.	1-Jan-16
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	Amendments to IAS 16 clarifying acceptable method of depreciation on items of property, plant and equipment while IAS 38 clarifying acceptable method for amortization of intangible asset.	1-Jan-16

The application of these standards has had no material impact on the disclosures or the amounts recognized in the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

3.2 Accounting standards and interpretations issued but not yet effective (cont'd)

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Bearer Plants (Amendments to IAS 16 and IAS 41)	The amendments defines bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. Also, bearer plants can be measured using either cost model or the revaluation models set out in IAS 16.	1-Jan-16
Employee Contributions (Amendments to IAS 19)	The amendments clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employees. For contributions that are independent of the number of years of service, the entity may recognise the contribution as a reduction of the service cost in the period in which the related service is rendered, or attribute them to employees' period of service either using the plan's contribution formula or a straight-line basis. Whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employee's periods of service.	1 July 2014
Amendments to IFRSs Annual improvements To IFRSs 2010-2012 cycle	The Annual Improvements to IFRSs 2010-2012 cycle includes a number of amendments to various IFRSs. Amendments to IFRSs include: <ul style="list-style-type: none"> • Amendments to IFRS 2 share based payments • Amendments to IFRS 3 Business combinations • Amendments to IFRS 8 Operating Segments • Amendments to IFRS 13 Fair Value measurement • Amendments to IASs 16 and 38 Property Plant and Equipment and Intangible assets • Amendments to IAS 24 Related Party Disclosure 	1 July 2014
Amendments to IFRSs Annual Improvements To IFRSs 2011-2013 cycle	This makes amendments to the following standards: <ul style="list-style-type: none"> • Amendments to IFRS 3 Business Combination • Amendments to IFRS 13 Fair Value Measurement • Amendments to IAS 40 Investment Property. 	1 July 2014

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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 2014.

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; and
- 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 ended 31 December 2014

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.

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

4.7 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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. Income tax and education tax payable are provided on taxable profit and adjusted profit respectively at the current statutory rates.

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

4.10 Inventories

Inventories are stated 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014**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 profit or loss.

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.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest 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. Income is recognised on an effective interest basis for all debt instruments.

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 loss.

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 ended 31 December 2014

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 receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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 profit or loss.

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 ended 31 December 2014

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 financial asset 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

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's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014**5. Critical accounting judgements 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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements 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 70% 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

6 Revenue

The following is an analysis of the Company's revenue for the year from continuing operations (excluding other income):

Sale of cement

	31/12/2014 N'000	31/12/2013 N'000
	21,133,974	21,694,657

7 Segment information

Information reported to the Chief Operating Decision Maker of (COMD) 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	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Manufacture and sale of cement	21,133,974	21,694,657	7,510,923	4,992,668
Coal mining and milling operation	3,934,522	1,717,699	3,119,777	1,146,652
	25,068,496	23,412,356	10,630,700	6,139,320
Elimination of inter-segment sales/profit	(3,934,522)	(1,717,699)	(3,119,777)	(1,146,652)
	21,133,974	21,694,657	7,510,923	4,992,668
Investment income			1,267,065	1,081,607
Other income			(133,982)	150,734
Administrative expenses			(3,393,073)	(3,380,145)
Profit before tax			5,250,933	2,844,864

Segment revenue reported includes inter-segment sales amounting to N3.93 million in current year (2013: N1.72 million). This represents all the coals produced at the coal segment which was sold to the cement segment at market value.

Segment profits 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.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

7.2 Segment assets and liabilities

	31/12/2014 N'000	31/12/2013 N'000
Segment assets:		
Manufacture and sale of cement	69,789,908	65,470,656
Coal mining and milling operation	1,736,963	1,952,880
	71,526,871	67,423,536
Segment liabilities:		
Manufacture and sale of cement	20,265,239	20,261,496
Coal mining and milling operation	-	-
	20,265,239	20,261,496

8 Other (expenses)/income

	31/12/2014 N'000	31/12/2013 N'000
Allowance no longer required	98	28,831
Release of excess accruals no longer required	17,755	-
Insurance claim	79,975	-
Guest house income	59,969	38,828
Exchange gain	14,048	-
Miscellaneous income	94,173	83,075
Claim settlement expenses (note 8.1)	(400,000)	-
	(133,982)	150,734

8.1 This represents an out-of-court settlement of a commercial dispute arising from a contract with MOS Engineering services Limited (MOS). In the fourth quarter of 2014, the two parties after mutual consultation, agreed that Ashakacem Plc should pay the sum of N400,000,000 as full and final settlement of the claim. This was approved by the Board of Directors on 17 December 2014.

9 Investment income

Interest income on fixed deposits	1,267,065	1,081,607
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NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
10 Administrative expenses		
Other materials	142,695	118,216
Repairs and renewals	3,372	3,621
Communication	16,403	26,837
Local and overseas travel	243,788	327,304
Rates, taxes and misc. fees	5,384	46,368
Advert and public relations	64,541	157,564
Legal entity cost	63,490	97,902
Property charges	304,047	1,067
Insurance	27,262	163,500
Bank charges	119,937	101,961
Salaries and wages (note 10.1)	420,515	506,286
Withholding tax paid-operating	12,347	33,750
Lease charges	-	2,466
Electricity and utilities	88,911	441,805
General expenses	47,049	13,788
Donations	39,135	38,245
Audit fees	23,000	21,000
Depreciation	339,475	469,373
Bad debt provision	-	125
Exchange loss	28,146	19,661
Staff gratuity (note 10.1)	429,315	354,745
Consultancy	116,295	79,795
Staff training and seminars	31,979	6,272
Directors emoluments	211,753	202,671
Stationery and printing	5,208	1,742
Computer consumables	59,026	48,061
Other staff expenses	189,117	-
Scholarship	8,418	7,130
Staff pension (note 10.1)	29,789	31,603
Casual labours - Admin	102,306	55,895
Other charges	149,344	-
Loss on disposal of asset	71,026	1,392
	3,393,073	3,380,145

- 10.1** Certain plant staff salaries and wages, pension and gratuity charges amounting to N632,988 included in administrative expenses in 2013 has now been reclassified to 2013 cost of sales to ensure a consistent classification and meaningful comparison.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
11 Selling and distribution expenses		
Distribution costs	12	35
Depot transfer - road	310,397	361,322
Repairs and renewals	262	1,118
Communication	5,626	3,323
Advert and public relations	14,978	24,126
Legal entity cost	30	166
Property charges	5,483	2,490
Salaries and wages	186,529	129,223
Rent and rate	442	3,149
Electricity	-	335
General expenses	23,399	4,724
Stationery and printing	417	889
Cement off-loading expenses	36,437	10,653
Travelling expenses	25,511	37,703
Staff pension	13,434	11,711
Staff training and seminars	644	1,385
Staff gratuity	18,058	10,055
	641,659	602,407
12 Profit for the year		
Profit for the year is arrived at after charging/(crediting):		
Directors' remuneration	211,753	202,671
Depreciation of property, plant and equipment	1,612,804	1,817,391
Amortisation of intangible assets	13,442	7,437
Loss on disposal of property, plant and equipment	71,026	1,392
Exchange loss	28,146	19,661
Staff costs (see note 12.1)	2,857,595	2,772,181
Technical operating fees (see note 27.5)	437,296	468,159
Audit fee	23,000	21,000
12.1 Staff costs		
Wages, salaries and staff welfare	2,078,567	2,090,901
Defined benefit plans	568,112	479,325
Defined contribution (pension schemes)	210,916	201,955
	2,857,595	2,772,181
	Number	Number
The average number of people employed excluding directors was as follows:		
Management	110	118
Non-Management	492	512
	602	630

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

13 Taxation
13.1 Income tax recognised in profit or loss
Current tax

	31/12/2014 N'000	31/12/2013 N'000
Current tax expense in respect of the current year	533,442	691,307
Education tax	72,127	76,328
Current tax expense in respect of the prior year	46,384	-
Education tax in respect of prior year	2,134	-
Prior year overpayment due to coal mining and milling operation pioneer status	-	(511,679)
	654,087	255,956

Deferred tax

Deferred tax expense recognised in the current year	52,651	(235,403)
Adjustments recognised in the current year in relation to the deferred tax of prior years	(22,472)	-
	30,179	(235,403)

Total income tax expense recognised in current year

	684,266	20,553
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The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax

	5,250,933	2,844,864
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Expected income tax expense calculated at 30% (2013: 30%)	1,575,280	853,459
Education tax expense calculated at 2% (2013: 2%) of assessable profit	72,127	76,328
Effect of expenses that are not deductible in determining taxable profit	68,174	20,398
Effect of investment allowance	(56,191)	(9,480)
Effect of capital contribution that are chargeable in determining taxable profit	-	-
Effect of disallowed depreciation on revalued PPE	-	-
Effect of pioneer status	(1,001,170)	(408,473)
	658,220	532,232
Prior year overpayment due to coal mining and milling operation pioneer status	-	(511,679)
Adjustments recognised in the current year in relation to the current and education taxes of prior year	48,518	-
Adjustments recognised in the current year in relation to the deferred tax of prior years	(22,472)	-
	684,266	20,553
Effective tax rate	13.0%	0.7%

The tax rate used for 2014 and 2013 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.

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
13.2 Income tax recognised in other comprehensive income		
Deferred tax		
Arising from actuarial gain/(losses) on staff retirement benefit plan	202,927	(60,254)
Adjustment recognised in current year in relation to deferred tax of prior year	-	67,331
	202,927	7,077
13.3 Current tax liabilities		
Balance at 1 January	354,486	2,090,966
Income tax expense recognised in current year	654,087	255,956
Payments	(255,956)	(1,992,436)
Balance at 31 December	752,617	354,486
13.4 Deferred tax liabilities		
The following is the analysis of deferred tax assets/(liabilities) presented in statement of financial position		
Deferred tax assets	1,222,467	1,490,922
Deferred tax liabilities	(10,962,248)	(10,997,597)
Deferred tax liabilities (net)	(9,739,781)	(9,506,675)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

31 December 2014

	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	10,997,597	(35,349)	-	10,962,248
Provisions	(1,284,828)	65,528	-	(1,219,300)
Actuarial (losses)/gains on staff retirement benefit plan	(206,094)	-	202,927	(3,167)
	9,506,675	30,179	202,927	9,739,781

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)/gain on staff retirement benefit plan	(213,171)		7,077	(206,094)
	5,706,979	3,792,619	7,077	9,506,675

Movement at a glance

Deferred tax (liabilities)/assets

	31/12/2014 N'000	31/12/2013 N'000
Balance at 1 January	9,506,675	5,706,979
Recognised in statement of profit or loss	30,179	(235,403)
Recognised in other comprehensive income	202,927	7,077
Prior year adjustment recognised directly in equity in respect of revaluation surplus	-	4,028,022
Balance at 31 December	9,739,781	9,506,675

13.5 Pioneer certificate on Maiganga Coal Mine

The company obtained a Pioneer Status certificate from the Nigerian Investment Promotion Commission (NIPC) in 2013, in respect of 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.

Management have taken into consideration its pioneer profits in computing the Company's taxes for the 2015 year of assessment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

14 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 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
Reclassification 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
Balance at 1 January 2014	24,301,589	23,896,684	2,896,793	810,437	689,751	5,525,269	89,400	58,209,923
Additions	-	152,064	20,196	4,496	-	2,609,163	-	2,785,919
Reclassification from capital work-in-progress	186,343	2,365,738	141,147	42,265	58,931	(2,794,424)	-	-
Disposals	-	(33,571)	-	(736)	(116,893)	-	(7,450)	(158,650)
Balance at 31 December 2014	24,487,932	26,380,915	3,058,136	856,462	631,789	5,340,008	81,950	60,837,192
Depreciation								
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
Balance at 1 January 2014	2,536,523	4,153,607	1,631,880	607,164	542,200	-	89,400	9,560,774
Charge for the year	368,781	759,270	289,194	142,655	52,904	-	-	1,612,804
Disposals	-	(9,941)	-	(455)	(66,127)	-	(7,450)	(83,973)
Adjustment	-	-	-	-	-	-	-	-
Balance at 31 December 2014	2,905,304	4,902,936	1,921,074	749,364	528,977	-	81,950	11,089,605
Carrying amount:								
Balance at 31 December 2014	21,582,628	21,477,979	1,137,062	107,098	102,812	5,340,008	-	49,747,587
Balance at 31 December 2013	21,765,066	19,743,077	1,264,913	203,273	147,551	5,525,269	-	48,649,149

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 Knight 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 ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
15 Intangible assets		
Cost		
Balance at 1 January	431,678	427,887
Additions	20,771	3,791
Balance at 31 December	452,449	431,678
Accumulated amortisation		
Balance at 1 January	352,979	345,542
Charge for the year	13,442	7,437
Balance at 31 December	366,421	352,979
Carrying amount		
Balance at 31 December	86,028	78,699

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. Hence, no impairment is recognized during the year.

	31/12/2014 N'000	31/12/2013 N'000
16 Inventories		
Raw materials	1,252,253	2,827,432
Spares parts	2,985,014	2,649,391
Work in progress	487,847	240,332
Finished product	187,615	336,447
	4,912,729	6,053,602
Allowance for obsolete inventories (see note 16.1)	(1,448,670)	(1,516,628)
	3,464,059	4,536,974
16.1 Reconciliation of allowance for obsolete inventories		
Balance at 1 January	1,516,628	1,399,495
Current year allowance	-	117,133
Write back	(67,958)	-
Balance at 31 December	1,448,670	1,516,628

The cost of inventories recognised as an expense during the year in respect of continuing operations was N6.86 billion (2013: N10.57 billion).

The cost of inventories recognised as an expense in respect of write-downs of inventory to net realisable value is Nil (2013: N117.13 million). There was reversal of write-downs during the year of N67.96 million (2013: Nil).

No inventory was pledged as security for loans.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
17 Trade and other receivables		
Trade receivables	46,978	39,754
Allowance for doubtful debts (see note 17.1)	(23,813)	(23,813)
	23,165	15,941
Other receivables:		
Unutilized letters of credit	3,723,358	250,364
Intercompany receivables	-	30,500
Staff debtors	184,586	146,265
Travel advance	34,153	-
Advance payments to suppliers	620,256	426,759
Prepayments	98,338	101,689
Sundry debtors	698,030	227,360
Allowance for doubtful other receivables (see note 17.1)	(205,437)	(378,982)
	5,153,284	803,955
	5,176,449	819,896

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

	31/12/2014 N'000	31/12/2013 N'000
30 - 60 days	-	-
61 - 90 days	-	-
91 - 120 days	-	-
181 - 360 days	23,165	15,941
Total	23,165	15,941
Average age (days)	0.81	0.67

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
17.1 Movement in the allowance for doubtful debts		
Trade receivables		
Balance at 1 January	23,813	23,688
Charged during the year	-	125
Balance at 31 December	23,813	23,813
Other receivables		
Balance at 1 January	378,982	407,813
Charged during the year	-	-
Write back during the year	(98)	(28,831)
Write off during the year	(173,447)	-
Balance at 31 December	205,437	378,982

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 (2013: N23.81 million). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds.

Age of impaired trade receivables	31/12/2014 N'000	31/12/2013 N'000
360 + days	23,813	23,813
Total	23,813	23,813
18 Cash and cash equivalents		
Bank deposit account	9,053,457	10,692,798
Bank current account	1,992,368	2,639,815
Short term investment with related company (See note 18.1)	2,000,000	-
Cash in hand and at bank	6,923	6,205
	13,052,748	13,338,818

Cash and cash equivalents comprise cash, short term bank deposits and other short term investment 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.

18.1 The short term investment with related company represents amount advanced to Lafarge Africa Plc (WAPCO) in December 2014 under the terms of an agreement between both parties. The agreement provides for repayment within 60 days and at an interest of 13.5%. The amount was repaid on 13 January 2015.

19 Non - cash transaction

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
20 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.

	31/12/2014 N'000	31/12/2013 N'000
21 Retained earnings		
Balance at 1 January	46,042,313	48,394,518
Prior year adjustment on deferred tax in respect of r evaluation surplus	-	(4,028,022)
Dividend paid (note 21.1)	(940,570)	(940,570)
Profit for the year	4,566,667	2,824,311
Actuarial gains/(losses) (net of tax) (note 21.2)	473,495	(207,924)
Balance at 31 December	50,141,905	46,042,313

21.1 Dividend paid

At the Annual General Meeting of the members held on 17 June 2014, the shareholders approved the payment of dividend of 42 kobo per share (2013: 42 kobo per share) on 2,239,453,125 ordinary shares amounting to N940,570,313 (2013: N940,570,313). The declared dividend was paid to shareholders during the year after deducting appropriate withholding taxes.

At the Board of Directors Meeting held on 10 March 2015, the Directors propose a dividend of 45 kobo per ordinary share of 50 kobo each on the 2,239,453,125 existing ordinary shares. The proposed dividend amounting to N1,007,753,906.25 is 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.

	31/12/2014 N'000	31/12/2013 N'000
21.2 Actuarial losses (net of income tax)		
Actuarial gains - change in assumption	(454,735)	-
Actuarial (gains)/losses- experience adjustment	(221,687)	200,847
	(676,422)	200,847
Deferred tax credit thereon (see note13)	202,927	7,077
	(473,495)	207,924

This represents actuarial gains/(losses) from actuarial valuation on the Company's defined benefit plan. See note 23.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

22 Finance lease obligation

The Company leased certain of its motor vehicles under finance lease agreement. 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% (2013: 11%) per annum.

	31/12/2014 N'000	31/12/2013 N'000
Balance at 1 January	-	31,545
Acquisition during the year	-	-
Repayment during the year	-	(31,545)
Balance at 31 December	-	-

	Minimum lease payments		Present value of minimum lease payments	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Not later than one year	-	-	-	-
Later than one year and not later than 2 years	-	-	-	-
Later than 2 years	-	-	-	-
Less future finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-
Included in statement of financial position as:				
Current			-	-
Non-current			-	-

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

23 Retirement benefit obligations
23.1 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 N211 million (2013: N201.95 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 December 2014, contributions of N1.98 million (2013: N17.39 million) due in respect of the 2014 reporting period has not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

	31/12/2014 N'000	31/12/2013 N'000
Balance at 1 January	17,392	39,361
Charge for the year	210,856	201,955
Payment during the year	(226,272)	(223,924)
Balance at 31 December	1,976	17,392

23.2 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 2014 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.

	31/12/2014 N'000	31/12/2013 N'000
Balance at 1 January	3,021,485	2,491,879
Charge for the year	568,112	479,325
Payment during the year	(516,330)	(150,566)
Actuarial (gains)/losses	(676,422)	200,847
Balance at 31 December	2,396,845	3,021,485

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

Financial assumptions

	31/12/2014 %	31/12/2013 %
Discount rate	15	13
Expected rate(s) of salary increases	11	12
Average rate of inflation	9	9

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

Demographic 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	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	Rate
≤ 30	3.0%
31 - 39	2.0%
40 - 44	1.0%
45 - 55	0.0%

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%	5.56% increase in liability	5.09% decrease in liability
Salary growth rate	1%	5.74% decrease in liability	6.19% increase in liability
Inflation rate	1%	N/A	N/A
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		0.03% decrease in liability	0.03% 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 versa.

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 6.11 years.

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

23 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:

	31/12/2014 N'000	31/12/2013 N'000
Current service cost	197,983	164,849
Interest cost	370,129	314,476
Actuarial gains - change in assumption	(454,735)	-
Actuarial (gains)/losses- experience adjustment	(221,687)	200,847
	(108,310)	680,172

Of the expense for the year, N568.11 million (2013:N479.33 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:

	31/12/2014 N'000	31/12/2013 N'000
Present value of defined benefit obligations	2,396,845	3,021,485
Deficit in scheme	2,396,845	3,021,485
Past service cost not yet recognised in statement of financial position	-	-
Liability recognised in the statement of financial position.	2,396,845	3,021,485

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

	31/12/2014 N'000	31/12/2013 N'000
Balance at 1 January	3,021,485	2,491,879
Service cost	197,983	164,849
Interest cost	370,129	314,476
Benefits paid	(516,330)	(150,566)
Actuary gains - change in assumption	(454,735)	-
Actuary (gains)/losses- experience adjustment	(221,687)	200,847
Balance at 31 December	2,396,845	3,021,485

The history of experience adjustments is as follows:

	31/12/2014 N'000	31/12/2013 N'000
Present value of defined benefit obligation	2,396,845	3,021,485
Deficit	2,396,845	3,021,485
Experience adjustments on plan liabilities	(221,687)	200,847

The defined benefit plan (gratuity) is currently under review and will be subject to Board decision during 2015 regarding the funding alternatives.

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

	31/12/2014 N'000	31/12/2013 N'000
24 Trade and other payables		
Trade payables	1,460,087	2,997,728
Haulage creditors	79,515	72,421
Distributors' deposits	76,562	75,342
Advance payments by customers	1,303,376	1,437,495
Intercompany payables (note 27)	2,446,585	1,336,949
Other creditors	518,410	505,541
Accruals	1,202,404	657,170
Value added tax	53,552	127,566
Withholding taxes	233,529	151,246
Staff pensions accruals (note 23.1)	1,976	17,392
	7,375,996	7,378,850

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.

	31/12/2014 N'000	31/12/2013 N'000
25 Provisions		
Balance at 1 January	-	17,857
Reduction arising from payment	-	(17,857)
	-	-

This relates to a court case in which a judgement debt in the sum of N17.86 was settled during 2013.

26 Earnings per share

Basic 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 earnings per share are as follows:

	31/12/2014 N'000	31/12/2013 N'000
Earnings for the purpose of basic earnings per share being profit for the year attributable to shareholders of the Company	4,566,667	2,824,311
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	204	126

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NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

27 Related party transactions

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

27.1 Trading transactions

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

	Sales of goods and services	
	31/12/2014 N'000	31/12/2013 N'000
	-	-
	-	-
	Purchases of goods and services	
	31/12/2014 N'000	31/12/2013 N'000
Lafarge SA Paris	660,713	680,242
Lafarge TCEA	27,074	3,446
Lafarge South Africa	52,603	53,163
Lafarge Africa Plc	1,071,321	168,000
Lafarge East Africa	-	3,420
Lafarge Middle East Africa	104,942	-
Lafarge Intern Serv Singapore	79,409	-
Lafarge Philippines	1,967	3,540
	1,998,029	911,811

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

	Amount owed by related parties	
	31/12/2014 N'000	31/12/2013 N'000
Lafarge Africa Plc	-	30,500
	Amount owed to related parties	
	31/12/2014 N'000	31/12/2013 N'000
Lafarge SA Paris	1,603,414	937,522
Lafarge TCEA	3,312	3,446
Lafarge South Africa	19,677	25,769
Lafarge Africa Plc	656,365	325,542
Lafarge East Africa	3,459	3,420
Lafarge Middle East Africa	112,935	7,992
Lafarge Intern Serv Singapore	17,691	-
Lafarge Philippines	29,732	33,258
	2,446,585	1,336,949

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

27.1 Trading transactions (continued)

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.

Lafarge SA Paris: This is the ultimate parent company which owns 58.61% of AshakaCem Plc through its subsidiary, Lafarge Africa Plc. 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 East Africa, Lafarge North America, Lafarge Middle East Africa, and Lafarge Philippines are sister 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.

27.2 Loans to related parties

Loans to key management personnel

	31/12/2014 N'000	31/12/2013 N'000
	-	-
	-	-

27.3 Loans from related parties

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

27.4 Compensation of key management personnel

Executive management team (excluding directors):

Leonard Palka	-	Managing Director
Yusuf Lamuwa	-	GM, Finance & IT Administration/CFO till August 31, 2014
Bruno Bayet	-	GM, Finance & IT Administration/CFO
Dr Gimba Abdullahi	-	GM, Sales & Marketing till February 2014
Alfa Abdullahi	-	GM, Human Resources till March 2014
Abdul-Hameed Balarabe	-	GM, Projects
Graeme Melvin Bride	-	GM, Manufacturing
Bello A. Abdullahi	-	Company Secretary/Legal Adviser

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

	31/12/2014 N'000	31/12/2013 N'000
Short-term benefits	114,831	154,819
Post-employment benefits	27,238	29,180
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	364,857	-
	506,926	183,999

The remuneration of directors during the year was as follows:

	31/12/2014 N'000	31/12/2013 N'000
Short-term benefits	277,941	226,319
Termination benefits	-	51,948
	277,941	278,267

Other information on directors emoluments:

Fees:

- Chairman	600	600
- Other Directors	3,500	3,250
	4,100	3,850

Salaries, allowances and expenses:

- Executive Directors	70,498	37,798
- Other Directors	207,443	198,821
	282,041	240,469

Highest Paid Director	37,798	37,798
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

27.4 Compensation of key management personnel (continued)

Number of Directors whose emoluments were within the following ranges:

N	Number	Number
1 - 5,000,000	10	11
5,000,001 - 20,000,000	-	-
20,000,000 and above	2	1
	12	12

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

27.5 Technical operating fee

The Company has a technical operating agreement with Lafarge SA Paris and the technical operating fees amounting to N416.47 million (2013: N445.87 million) has been calculated on the basis of 2% of net sales as follows:

	31/12/2014 N'000	31/12/2013 N'000
Revenue	21,133,974	21,694,657
Haulage cost	(310,397)	(361,322)
	20,823,577	21,333,335
Technical operating fees	416,472	445,866
VAT on technical fee	20,824	22,293
	437,296	468,159
28 Capital commitment		
Committed fund	570,508	539,023

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

29 Contingent liabilities

There is an action filed by way of a notice of appeal before the Tax Appeal Tribunal in Bauchi state, Nigeria relating to the wrongful basis of tax assessment by the Gombe State Board of Internal Revenue, with an estimated contingent liability of N363m. Also, there is an on-going tax issue with the same Board arising from the 2012 and 2013 operation and financial review with an estimated contingent liability of N890m.

There are also other law suits pending against the Company in some courts of law with an estimated contingent liability of N96m. In the opinion of the Directors, and based on independent legal advice, the Company's liability is not likely to be significant.

30 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.

NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

31 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 since 2013.

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:

	31/12/2014 N'000	31/12/2013 N'000
Debt (i)	-	-
Equity (ii)	51,261,632	47,162,040
Debt to equity ratio	0.00%	0.00%

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

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

31 Categories of financial instruments

31/12/2014	Loans and receivables N'000	Non-financial assets N'000	Total N'000
Assets			
Cash and cash equivalents	13,052,748	13,052,748	
Trade and other receivables	4,934,545	5,176,449	
Inventories	-	3,464,059	3,464,059
Intangible asset-	86,028	86,028	
Property, plant and equipment-	49,747,587	49,747,587	
	13,294,652	58,232,219	71,526,871

31/12/2014	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Finance lease obligation	-	-	-
Trade and other payables	3,986,187	3,389,809	7,375,996
Current tax payable	-	752,617	752,617
Deferred tax liabilities	-	9,739,781	9,739,781
Retirement benefit obligations	-	2,396,845	2,396,845
	3,986,187	16,279,052	20,265,239

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

31 Categories of financial instruments (continued)

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
Provisions	-	-	-
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

31 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.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

31.1 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.

31.1.1 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.

	31/12/2014 N'000	31/12/2013 N'000
Naira strengthens by 3% against the USD	(13,325)	697
GBP	(258)	305
EURO	260,818	28,332
Profit	247,235	29,334
Naira weakens by 3% against the USD	13,325	(697.47)
GBP	258	(305)
EURO	(260,818)	(28,332)
Loss	(247,235)	(29,334)
Monetary assets/liabilities denominated in USD		
Cash and bank balances	498,329	10,010
Trade receivables	-	-
Trade and related party payables	(54,148)	(33,259)
	444,181	(23,249)
Monetary assets/liabilities denominated in GBP		
Cash and bank balances	5,539	10,165
Trade receivables	-	-
Trade and related party payables	(14,124)	-
	(8,585)	10,165
Monetary assets/liabilities denominated in Euro		
Cash and bank balances	161,065	59,849
Trade receivables	-	-
Trade and related party payables	(8,693,931)	(944,387)
	(8,532,866)	(884,538)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

31.2 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:

	31/12/2014 N'000	31/12/2013 N'000
Trade receivables	23,165	15,941
cash and cash equivalents	13,052,748	13,338,818
	13,075,913	13,354,759

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

	31/12/2014 N'000	31/12/2013 N'000
Parastatals/Government	-	-
Corporates	23,165	15,941
SMEs	-	-
	23,165	15,941

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

31.2.1 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.

31.3 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.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

31.3 Liquidity risk management (continued)

31.3.1 Maturity analysis of financial liabilities

The following tables details 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.

31/12/2014	0-6 months	6-12 months	12 - 24 months	Above 24 months	Total
Borrowings	-	-	-	-	-
Trade payables	1,460,087	-	-	-	1,460,087
	1,460,087	-	-	-	1,460,087
<hr/>					
31/12/2013					
Borrowings	-	-	-	-	-
Trade payables	2,997,728	-	-	-	2,997,728
	2,997,728	-	-	-	2,997,728

32 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 2014



	31/12/2013 N'000	%	31/12/2012 N'000	%
Revenue	21,133,974		21,694,657	
Other (expenses)/income	(133,982)		150,734	
	20,999,992		21,845,391	
Bought in materials and services:				
- Imported	(1,010,868)		(1,387,514)	
- Local	(10,254,350)		(13,016,004)	
Value added	9,734,774	100	7,441,873	100
Applied as follows				
To pay employees				
Salaries, wages and other benefits	2,857,595	29%	2,772,181	38%
To pay governments				
Taxes	654,087	7%	255,956	3%
To provide for replacement of assets and future growth				
- Depreciation	1,612,804	17%	1,817,391	24%
- Amortization	13,442	0%	7,437	0%
- Deferred taxation	30,179	0%	(235,403)	-3%
- Retained profit	4,566,667	47%	2,824,311	38%
	9,734,774	100	7,441,873	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 2014

	31/12/2014 N'000	31/12/2013 N'000	31/12/2012 N'000	31/12/2011 N'000	31/12/2010 N'000
Assets/liabilities					
Property, plant and equipment	49,747,587	48,649,149	48,271,636	49,527,100	50,451,312
Intangible assets	86,028	78,699	82,345	39,893	107,526
Net current assets	13,564,643	10,962,352	9,359,122	4,874,136	1,552,495
	63,398,258	59,690,200	57,713,103	54,441,129	52,111,333
Finance lease obligation	-	-	-	(34,567)	(62,945)
Retirement benefit obligation	(2,396,845)	(3,021,485)	(2,491,879)	(2,084,733)	(1,870,706)
Deferred tax liabilities	(9,739,781)	(9,506,675)	(5,706,979)	(5,594,897)	(5,507,771)
	51,261,632	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	1,119,727	995,313
Other reserves	-	-	-	-	124,414
Retained earnings	50,141,905	46,042,313	48,394,518	45,607,205	43,550,184
	51,261,632	47,162,040	49,514,245	46,726,932	44,669,911
Turnover and profit					
Turnover	21,133,974	21,694,657	21,825,927	20,780,234	
Profit before taxation	5,250,933	2,844,864	5,473,736	4,144,287	
Profit after taxation	4,566,667	2,824,311	3,124,848	2,885,963	
Other comprehensive income, net of income tax	473,495	(207,924)	(340,294)	(157,106)	
Per share data (kobo)					
Earnings per share (Kobo):					
- Basic	204	126	140	129	
Net assets per share (Kobo)					
- Basic	2,289	2,106	2,211	2,087	
Dividend per share (kobo)	45	42	42	40	
Cement deliveries ('000 tonnes)	714	757	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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SHAREHOLDING AND OTHER INFORMATION



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SHAREHOLDING INFORMATION

Register Range Analysis as at 31/ 12/ 2014

Range	No. of Holders	Percent	Unit	Percent
1 - 500	11,276	15.9995	2,848,993	0.1272
501 - 1,000	8,617	12.2267	6,447,149	0.2879
1,001 - 5,000	34,285	48.6471	80,950,996	3.6148
5,001 - 10,000	8,131	11.5371	56,844,961	2.5383
10,001 - 25,000	5,057	7.1754	76,775,199	3.4283
25,001 - 100,000	2,387	3.3869	106,674,811	4.7634
100,001 - 500,000	586	0.8315	114,010,282	5.091
500,001 - 1,000,000	67	0.0951	46,340,801	2.0693
1,000,001 - 2,239,453,125	71	0.1007	1,748,559,933	78.0798
Grand Total	70,477	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 certificates as at December 31st, 2014 has been provided.

The Company Registrars have advised that the total amount outstanding as December 31st, 2014 is N495,354,511.91

This amount is still being held by the Registrar.

SHARE CAPITAL HISTORY

YEAR	AUTHORIZED NUMBER OF SHARES	ISSUED AND FULLY PAID UP						TOTAL AMOUNT N'000
		OTHER THAN BY BONUS			BONUS CURRENT ISSUE		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
2014	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)

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:
CardinalStone (Registrars) Limited
(Formerly City Securities Limited)
358 Herbert Macaulay, 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:
CardinalStone (Registrars) Limited
(Formerly City Securities Limited)
358 Herbert Macaulay, Yaba,
Lagos.

PROXY FORM

The 40th Annual General Meeting of AshakaCem Plc will be held at Transcorp Hilton Hotel, Abuja, Nigeria on Tuesday, 5th May 2015 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, 5th May 2015 and at any adjournment thereof.

Dated this _____ day of _____ 2015

Shareholder's Signature

Resolutions	For	Against	Abstain
1. To declare a dividend.			
2a. To re-elect Directors: HRH Abubakar M. Kwairanga			
2b. To elect Directors: Mr. Anders Kristiansson			
Mrs. Edith Onwuchekwa			
Mallam Rabiul A. Umar			
3. To authorize the Directors to fix the remuneration of the Auditors.			
4. To elect members of the Audit Committee.			
5. To consider and if thought fit, pass an ordinary resolution to fix the remuneration of the Directors.			
6. To consider, and if thought fit, pass the following as special resolution: "That the Memorandum and Articles of Association of the Company be and are hereby amended as follows:			
a. Article 3 – The words "The share capital of the Company as at the date of the adoption of these Articles is 732,500,000 divided into 1,465,000,000 ordinary shares of 50 kobo each" should be deleted and be substituted with the words "The share capital of the Company as at the date of the adoption of these Articles is 1,119,727,000 divided into 2,239,454,000 ordinary shares of 50 kobo each."			
b. Article 54 – The words "Save as herein otherwise provided, three members present in person or by proxy shall be a quorum and no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business" should be deleted and be substituted with the words "Save as herein otherwise provided, thirteen members present in person or by proxy shall be a quorum and no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business."			
c. Article 76 – The words "Unless and until otherwise determined by the Company in general meeting the number of Directors shall not be less than four or more than twelve" should be deleted and be substituted with the words "Unless and until otherwise determined by the Company in general meeting the number of Directors shall not be less than four or more than nine."			

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.

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ASHAKACEM PLC

40TH ANNUAL GENERAL MEETING SHAREHOLDERS ADMISSION CARD

Please admit the shareholder on this form or his/her duly appointed proxy to the 40th Annual General Meeting to be held at Transcorp Hilton Hotel, Abuja, Nigeria on Tuesday, 5th May 2015 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.

CardinalStone (Registrars) Limited
(Formerly City Securities Limited)
358 Herbert Macaulay, Yaba,
Lagos.

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