

2009

Annual Report &
Accounts



Dangote Sugar Refinery Plc

RC 613748

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DSR In Brief

Our Goal

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

Quality Policy

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

Overview

- Dangote Sugar Refinery Plc is one of the largest sugar refining companies in the world, with the new Ion Exchange Resin (IER) sugar refining technology.
- Dangote Sugar Refinery Plc ("DSR") commenced operations as a sugar refiner in March 2000, with an initial capacity of 600,000 MT p.a. commissioned in 2001
- DSR is one of the largest refineries in the world with a capacity of 1.44 million MT p.a
- Dangote Sugar Refinery Plc was listed on the Nigerian Stock Exchange (NSE) in March 2007.

OUR PRODUCT(S)

- **VITAMIN A FORTIFIED REFINED SUGAR**

Dangote Vitamin A fortified sugar is a fine white granulated sugar, refined to the highest quality and Vitamin A fortified to provide our customers and consumers with the desired nutrients required by the body. This all purpose sugar, dissolves easily and forms part of a healthy and well balanced diet. It is ideal for sweetening of beverages, baking amongst others.

- **UNFORTIFIED INDUSTRIAL SUGAR**

Dangote unfortified or Industrial sugar is a specially processed high quality sugar grade, used by pharmaceuticals, food and beverage manufacturing companies etc, in the achievement of the desired sweetness for their products.

The Vitamin A fortified Refined Sugar and our unfortified industrial sugar are currently packaged in 50kg bags; while arrangements are underway for the introduction of the Vitamin A fortified sugar, in 1kg consumer friendly retail package sizes. Our state of the art world class sugar refinery and process is ISO 9001:2000 International Quality Management Certification

AWARDS

Over the years, DSR has won various awards as an attestation to its market leadership, commitment to its goals and the running of its day to day activities and operations with best practices and the corporate governance rules and practices.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 4th Annual General Meeting of Dangote Sugar Refinery Plc will hold at Tahir Guest Palace, Kano, Kano State, on Tuesday 27th July, 2010 at 12 noon to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2009 together with the report of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend
3. To re-elect Directors
4. To approve the remuneration of the Directors
5. To authorize the Directors to fix the remuneration of the Auditor
6. To elect members of the Audit Committee

PROXY

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

DIVIDEND AND DIVIDEND WARRANTS

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted by 30th July, 2010 to members, whose names appear in the Company's Register of members at the close of business on Tuesday 13th July, 2010.

CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of members and Transfer Books of the Company will be closed from Wednesday 14th to Friday 16th July, 2010, (both dates inclusive) for the purpose of payment of Dividend.

AUDIT COMMITTEE

In accordance with section 395(5) of the Companies and Allied Matters Act 1990, a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD



MRS. CHIOMA MADUBUKO
Company Secretary
Dangote Sugar Refinery Plc
42/44 Warehouse Road
Apapa, Lagos
Nigeria.



Dated this 25th day of June 2010

Financial highlights

	2009 N'000	2008 N'000
<u>PROFIT AND LOSS</u>		
Turnover	82,395,712	80,671,383
Profit before taxation	19,586,932	30,151,378
Taxation	(6,401,333)	(8,280,331)
Profit after taxation	13,185,599	21,871,047
Interim dividend paid	-	(10,200,000)
Profit after taxation and dividend Transferred to revenue reserve	13,185,599	11,671,047
Proposed final dividend	12,000,000	4,200,000
<u>BALANCE SHEET</u>		
Share Capital	6,000,000	6,000,000
Shareholders' funds	41,612,797	32,627,198
Per 50 kobo share Data (kobo)		
Earnings	110	182
Dividend	100	120

Directors, Advisers & other Corporate Information

Directors

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

Company Secretary

Mrs. Chioma Madubuko

Registered Office:

Modandola House
42/44 Warehouse Road
Apapa, Lagos
Nigeria

Registrar and Transfer Office:

Zenith Registrars
Plot 89A, AJose Adeogun Street
Victoria Island
Lagos.

Auditors

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

Bankers

Access Bank Plc
Diamond Bank Plc
Ecobank Nigeria Plc
First Bank of Nigeria Plc
First City Monument Bank Plc
GTBank Plc
Intercontinental Bank Plc
Oceanic Bank International Plc
Stanbic IBTC Bank Plc
UBA Plc
Zenith Bank Plc

Chairman's Statement

Fellow Shareholders
Invited guests
Gentlemen of the Press
Distinguished Ladies and Gentlemen

On behalf of the Board, Management and Staff of Dangote Sugar Refinery Plc, I welcome you all to the 4th Annual General Meeting of our Company, and to present to you the Annual Report and Financial Statements for the year ended 31st December 2009.

Please permit me to give you a brief review of the major developments in the past business year and a summary of its impact on the results we present before you today. The economic downturn that characterized year 2009, led to some operational difficulties we encountered in doing business during the year. This situation was not peculiar to our Company and Nigeria alone, but the global economy in general.

The development culminated to the inflationary pressure witnessed in the global commodities market, which led to the incessant fluctuations in the cost of our major material input; Raw Sugar. We witnessed a very significant increase in the price of raw sugar and in turn on our cost of production. During the same period, there was a significant depreciation of the naira and an increase in the price of gas. The banking sector reforms and its resultant effect, led to liquidity squeeze in the system.

In view of the foregoing, target dates set for our growth and expansion projects were also affected. However, we did not relent, hence the Algerian sugar refinery, a wholly owned subsidiary of our Company, named Dangote Sucreire Algerie SPA project is still on course.

The Board and Management are very confident that this investment will boost our income, and contribute significantly to our future growth, profitability and enhanced shareholder value.

Other activities are underway to ensure that DSR Plc continues to stay ahead of the pack in our immediate markets. The Retail Pack Project is also on course, despite a few unforeseen challenges we experienced during the year. You will recall that the decision to package our sugar in small retail pack sizes was borne out of the need and our vision to provide and meet the basic needs of consumers at all times. Packaging of these more user-friendly packages will see our Vitamin A fortified refined sugar in 1kg, 500g, 250g respectively. Today I am happy to inform you that the plant is almost completed. This investment will give our brand more visibility, boost our market share and enhance value for the Company and all Stakeholders.

Chairman's Statement cont'd

2009 PERFORMANCE

During the year under review, our Company posted a Turnover of ₦82.4 billion. Profit Before Taxation for the period stood at ₦19.6 billion and the Profit After Tax is ₦13.2 billion. This performance is as a result of the challenges and unfavorable operating environment orchestrated by high cost of raw sugar.

The Board and Management are resilient and will continue to do its best, and ensure that we optimize our performance. Targets have been set, to enable us mitigate against any unforeseen conditions that may arise in the course of this business year.

DIVIDEND

The Board has recommended for the consideration and approval of shareholders, a dividend of ₦1.00k (one naira) for every one ordinary share of 50 kobo held, payable net of withholding tax. If approved, the total dividend payable for the year ended December 31, 2009 will be ₦12 billion.

THE BOARD

Since the last Annual General Meeting there has been a change on the Board of your Company. The Managing Director, Engr. Abdullahi Sule, resigned his appointment with the Company during the year. We have on your behalf, expressed our appreciation to Engr. Abdullahi Sule for his contributions to the growth and development of the Company during his tenure in office as Managing Director/Chief Executive Officer. Mr. Suleiman Olarinde, the Executive Director, Finance was appointed in an acting capacity as Managing Director. Other Directors retiring by rotation will offer themselves for re-election during the course of this meeting.

OUR STAFF

Our members of staff continue to be the most valued assets in the implementation and actualization of our goals and objectives. During the year, some incentives were extended to them to appreciate and acknowledge their inputs. We thank them for their unflinching commitment, hard work and resilience and encourage them to continue to pursue our goals and objectives.

2010 AND BEYOND

We look forward to the future with a positive attitude. Our focus is on continued growth and expansion, this remains our strategy for the achievement of a sustainable growth for our Company. We are confident that with our human and material resources, this goal is realisable. We will continue to set growth targets for ourselves, using best practices in all areas of our operations.

Our focus is on breaking new grounds, cost and overhead reduction, increased profitability, delivery of unequalled customer service and value by implementing result-oriented initiatives.

Ladies and Gentlemen, on behalf of your Board, Management and Staff, I reaffirm that with these strategies, we will remain competitive, therefore will be able to achieve our ultimate goal; to be one of the leading integrated low cost sugar producers in the world, using world class standards, with sustainable growth and profitability in the years ahead.

Distinguished Shareholders, my sincere appreciation goes to our Distributors, Customers, bankers, every stakeholder and the general public. We appreciate their patronage, association, support and valuable contributions to the growth of our Company.

Finally, I say a big thank you to my fellow Directors, our Shareholders, Management and Staff, as your support has seen us to this point. I call for your continued support and promise that together, we will grow our Company to a very enviable height.

I thank you for your attention and May God continue to bless all of us.

Aliko Dangote (CON)
Chairman
Dangote Sugar Refinery Plc

Report of the Directors for the year ended 31st December, 2009**1. ACCOUNTS**

The Directors are pleased to submit their Report together with the audited Financial Statements of the Company for the year ended 31st December, 2009.

2. RESULT

The Company's profit for the year after taxation was	N'000
Proposed dividend for year ended 31 st December, 2009	13,185,599 12,000,000

3. PRINCIPAL ACTIVITIES

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

4. LEGAL FORM

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

5. DIRECTORS AND THEIR INTERESTS

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

- i. Alhaji Aliko Dangote
- ii. Alhaji Sani Dangote
- iii. Mr. Suleiman Olarinde (Ag. Managing Director)
- iv. Mr. Olakunle Alake
- v. Ms. Bennedikter Molokwu
- vi. Dr. Konyinsola Ajayi (SAN)
- vii. Mr. Uzoma Nwankwo
- viii. Alhaji Abdu Dantata

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

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

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

DIRECTORS' SHAREHOLDING

	Number of shares held as At 31 st Dec. 2009	31 st May 2010
Alhaji Aliko Dangote	444,710,239	444,710,239
Alhaji Sani Dangote	Nil	Nil
Mr. Suleiman Olarinde	Nil	Nil
Mr. Olakunle Alake	6,864,000	6,864,000
Ms. Bennedikter Molokwu	1,383,400	1,383,400
Dr. Konyinsola Ajayi (SAN)	Nil	Nil
Mr. Uzoma Nwankwo	3,834,692	892,832
Alhaji Abdu Dantata	Nil	Nil

The shares sold by the Director, Mr. Uzoma Nwankwo was at the instance of the bank that financed the acquisition of the shares.

*Report of the Directors continued***6. DIRECTORS RESPONSIBILITIES**

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

In doing so, they ensure that:

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

7. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st December 2009, only Dangote Industries Limited with 8,119,200,000 ordinary shares of 50k each held more than 5% of the issued share capital of the Company.

8. FIXED ASSETS

Movements in fixed assets during the year are shown in Note 6 to the Accounts. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

9. DONATIONS AND CHARITABLE GIFTS

During the year under review, no donation was made to any political party or organization. However, Donations and Charitable gifts made during the year to under listed beneficiaries and worthy causes amounted to **₦600,000.00**.

Ices Cake making "Beginners Competition"	200,000.00
Man O' War Association (Apapa Zonal Council)	50,000.00
Operation Keep Apapa Iganmu Local Government Clean Youth Campaign	100,000.00
FRCN/National Gallery of Art Children's day Celebration	200,000.00
National Youth Service Corps Lagos State	50,000.00
Total	₦600,000.00

10. POST BALANCE SHEET EVENTS

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company as at 31st December, 2009 and the profit for the year ended on that date which have been adequately recognised.

11. COMPANY DISTRIBUTORS

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

*Report of the Directors continued***12. SUPPLIERS**

The Company obtains its materials at arm's length basis from overseas and local suppliers. Amongst its main overseas and local suppliers are **SUCRES ET DENREES, Nigeria National Petroleum Corporation (NNPC), Vitachem Nigeria Limited, Biochemical Derivative Nigeria Limited, Wyko UK and Belvoir UK.**

13. ANALYSIS OF SHAREHOLDING

Analysis of shareholding as at 31st December 2009

Range	No. of Holders	Percent	Units	Percentage
1- 10,000	89,340	81.00%	210,974,052	1.76%
10,001 - 50,000	16,100	14.60%	330,821,854	2.75%
50,001 - 500,000	4,361	3.95%	523,989,165	4.37%
500,001 – 1,000,000	223	0.20%	164,477,865	1.37%
1,000,001- 10,000,000	229	0.21%	645,034,022	5.38%
10,000,001- 50,000,000	28	0.03%	531,355,602	4.43%
50,000,001 – 100,000,000	2	0.00%	131,018,705	1.09%
100,000,001 – 500,000,000	7	0.01%	1,343,128,735	11.19%
500,000,001 – 12,000,000,000	<u>1</u>	<u>0.00%</u>	<u>8,119,200,000</u>	<u>67.66%</u>
	<u>110,291</u>	<u>100.00%</u>	<u>12,000,000,000</u>	<u>100.00%</u>

14. HUMAN RESOURCES**1. Employment and Employees**

The Company has reviewed its employment policy in line with the needs of business. Careful recruiting is now the focus to ensure that potential high performers are attracted and retained.

2. Work Environment

The Company continuously strives to improve its operations to ensure a safe working environment. It maintains a high standard of hygiene in all its premises through sanitation practices and the regular fumigation exercises have been further strengthened by the installation of pest and rodent control gadgets. Safety and environment workshops are organized for all senior employees with a broad focus on good housekeeping to ensure good and safe working environment. Nutritionally balanced meals are provided for staff in the canteen, paid by the Company.

*Report of the Directors continued***3. Employee Development**

The Company continues to place premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition. Local and international training and development programmes are organized to meet the need of the Company's modernization, automation and strategy implementation.

15. AUDIT COMMITTEE

Pursuant to **Section 359(3) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria, 2004**, the Company has put in place an Audit Committee comprising three Shareholders' representative and three Directors as follows:-

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

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

16. AUDITORS

Messrs Akintola Williams Deloitte (Chartered Accountants) have indicated their willingness to continue in office as Auditors. In accordance with Section 357(2) of **the Companies and Allied Matters Act, Cap C20. Laws of the Federation of Nigeria, 2004**, a resolution will be proposed at the Annual General Meeting to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD



Chioma Madubuko (Mrs)

Company Secretary
Dangote Sugar Refinery Plc
42/44 Warehouse Road
Apapa, Lagos
Nigeria

Dated this 25th day of June 2010

CORPORATE GOVERNANCE REPORT

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

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

The Board delegates the day-to-day running of the Company's affairs to the MD/CEO. An executive Management Committee supports the MD/CEO in this task. The Board currently consists of eight members, the Chairman, Acting Managing Director and 6 non executive Directors. Out of which two are Independent Directors.

FREQUENCY OF MEETINGS

The Board of Directors holds at least four meetings a year, to consider important corporate events and actions such as approval of corporate strategy, Annual corporate plan, review of internal risk management and control systems, review performance and direct the affairs of the Company, its operations, finances and formulate growth strategies. It may however, convene a meeting if and when the need arises. During the year under review the Board had 5 (five) meetings.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

- Ensure that the Company's operations are conducted in a fair, honest and transparent manner that conform to high ethical standards
- Ensure integrity of the Company's financial and internal control policies
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities and shareholders
- Ensure value creation for shareholders, employees and other stakeholders
- Review and approve corporate policies, strategy, annual budget and business plan
- Monitor implementation of policies and the strategic direction of the Company.
- Set performance objectives, monitor implementation and corporate performance
- Review and approve all major and capital expenditure of the company
- Ensure that the statutory rights of shareholders are protected at all time

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

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

SUB COMMITTEE’S OF THE BOARD OF DIRECTORS

The Board delegated some of its responsibilities to standing committees that consists of Executive and Non – executive Directors. These are the Establishment and Finance Committees. The Committees report to the Board of Directors on their activities and decisions, which are ratified by the full Board, at a meeting.

In compliance with the practices of good corporate governance, the Chairman of the Board is not a member of any of these committees’.

The Finance Committee

The Committee is comprised of five Directors, with an independent Director as Chairman. The Committee met 3 (three) times during the year under review. The Committee members are :

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

The Committee is responsible for:

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

The Establishment Committee

The Committee is comprised of four Directors, with an independent Director as Chairman. The Committee met once during the year under review. The Committee members are -

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

The Committee is responsible for:

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

Apart from the Board Standing Committees' the Audit Committee also plays an important role in the Company.

The Audit Committee

The Audit Committee is made up 6 (six) members, three Representatives of Shareholders and three members of the Board of Directors. Members of the Audit Committee are elected annually at General Meetings. The Committee in compliance with the requirement of corporate governance practice is chaired by a representative of the shareholders. The Committee met twice during the year under review.

Members of the Committee are:

Mr. Segun Olusanya	Chairman/Shareholder Representative
Hajia Muheebat Dankaka	Shareholder Representative
Alhaji Ado Dahiru	Shareholder Representative
Ms. Bennedikter Molokwu	Director
Mr. Olakunle Alake	Director
Dr. Konyinsola Ajayi (SAN)	Director

The Committee is responsible for:

- Ensuring the Independence and Objectivity of the audit.
- Reviewing the adequacy and effectiveness of Dangote Sugar Refinery Plc (DSR)'s internal control policies prior to endorsement by the Board
- Directing and supervising investigations into matters within its scope, such as evaluations of the effectiveness of DSR internal controls, business partner and client misconduct or conflict of interest.

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

**ATTENDANCE OF MEETINGS BY MEMBERS OF THE BOARD OF DIRECTORS' FROM
1ST JANUARY TO 31ST DECEMBER 2009**

BOARD OF DIRECTOR'S MEETINGS

DIRECTORS	ATTENDANCE				
	March	April	May	June	November
Alhaji Aliko Dangote	√	√	A	√	√
Alh. Sani Dangote	√	A	√	A	√
Engr. A. Sule	√	√	√	√	√
Ms. Bennedikter Molokwu	√	√	√	√	√
Dr. Konyinsola Ajayi (SAN)	√	A	A	√	√
Mr. Olakunle Alake	√	√	√	A	√
Alh. Abdu Dantata	A	√	√	√	√
Mr. Uzoma Nwakwo	√	√	√	√	√
Mr. Suleiman Olarinde	√	√	√	√	√

FINANCE COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE		
	March	May	November
Ms. Bennedikter Molokwu	√	√	√
Mr. Olakunle Alake	√	√	√
Mr. Abdu Dantata	A	√	√
Engr. A. Sule	√	√	√
Mr. Suleiman Olarinde	√	√	√

ESTABLISHMENT COMMITTEE MEETINGS

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

AUDIT COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE	
	June	December
Mr. Segun Olusanya	√	√
Hajia Muheebat Dankaka	√	√
Alh. Dahiru Ado	A	A
Ms. Bennedikter Molokwu	√	√
Dr. Konyinsola Ajayi (SAN)	A	√
Mr. Olakunle Alake	√	A

√ = Attendance

A = Apology

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION
TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

The responsibilities include ensuring that:

- I. The Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act of Nigeria;
- II. Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;
- III. The Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- IV. It is appropriate for the financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the Nigerian Statements of Accounting Standards and the requirements of the Companies and Allied Matters Act of Nigeria.

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

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:



Mr. Suleiman Olarinde
25th June 2010



Mr. Olakunle Alake
25th June 2010

REPORT OF AUDIT COMMITTEE

TO THE MEMBERS OF DANGOTE SUGAR REFINERY PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 1990, we have examined the Auditors report for the year ended 31st December 2009. We have obtained all the information and explanations we required.

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



Mr. Segun Olusanya
Chairman, Audit Committee

Dated this 28th day of June 2010

OTHER MEMBERS OF THE COMMITTEE

Hajia Muheebat Dankaka

Alhaji Dahiru Ado

Ms. Bennedikter Molokwu

Mr. Olakunle Alake

Dr. Konyinsola Ajayi (SAN)

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Dangote Sugar Refinery Plc**, set out on pages 22 to 39 which comprise the balance sheet as at 31 December 2009, the income statement, statements of cash flows, statements of value added for the year then ended, summary of significant accounting policies, financial summary 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, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 control 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 the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Dangote Sugar Refinery Plc** as at 31 December 2009, and of its financial performance and its cash flows for the year then ended; the Company has kept proper books of accounts, which are in agreement with the balance sheet and income statements, in the manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004, and, in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
25 June 2010



DANGOTE SUGAR REFINERY PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2009

The following are the significant accounting policies, which have been adopted by the Company in the preparation of its financial statements.

1. Basis of accounting

The financial statements are prepared under the historical cost convention. Adjustment has not been made to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

2. Turnover

Turnover represents the net value of goods sold to third parties during the year less discounts.

3. Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

4. Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their expected useful lives. The principal annual rates used for this purpose are:

	%
Leasehold land and buildings	2
Plant and machinery	6 ² / ₃
Motor vehicles	25
Tools and equipments	25
Furniture and fittings	20
Computer equipment	33 ¹ / ₃

5. Stocks and work-in-progress

Stocks are valued at lower of cost and net realisable value. Goods in transit are valued at the invoice price. Cost of stocks includes purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present location and condition, is determined using standard cost, which approximates actual cost, on a FIFO basis. Finished goods which include direct labour and factory overheads, is valued at standard cost adjusted at year-end on an actual cost basis. Engineering and other spares are valued at invoice price only.

6. Debtors

Bad debts are written off and specific provisions are made for those debts considered doubtful of recovery.

DANGOTE SUGAR REFINERY PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2009**7. Foreign currencies**

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities existing in foreign currencies are converted to Naira at the rates of exchange ruling at the balance sheet date. Gains or losses arising there from are included in the profit and loss account.

8. Taxation

Income tax and education tax payable are provided on profits at the current statutory rates of taxation.

9. Deferred taxation

Deferred taxation, which arises principally from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. This represents taxation at the current rate of corporate income tax on difference between the net book value and the tax written down value of fixed assets. This is in accordance with SAS 19 on Accounting for Taxes.

10. Employees retirement benefit scheme

The company makes provision for retirement benefits in accordance with the Pension Reform Act of 2004. The contribution of the employer and employee is 7.5% of employee's basic, transport and housing allowances. The Company's contribution is charged to the profit and loss account.

The Company also operates a gratuity scheme for its permanent Nigerian staff, the benefits under which are related to employees' length of service and remuneration. The provision for liability in respect thereof is made in full in the financial statements.

11. Provision

Provision is recognised when the Company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with Statement of Accounting Standard (SAS) 23.

12. Investment

Investments in subsidiaries are carried in the Company's balance sheet at cost less provision for impairment losses. Where in the opinion of the Directors, there has been impairment in the value of an investment; the loss is recognised as an expense in the period in which the impairment is identified.

13. 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 numbers of shares outstanding during the year.

14. Segmental reporting

The company's business segments are presented by products that are subject to similar risks and returns.

DANGOTE SUGAR REFINERY PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 N'000	2008 N'000
Turnover	2	82,395,712	80,671,383
Cost of sales		<u>(61,635,551)</u>	<u>(49,789,909)</u>
Gross profit		20,760,161	30,881,474
Administrative expenses		<u>(4,926,533)</u>	<u>(3,587,546)</u>
		15,833,628	27,293,928
Other income	3	<u>3,753,795</u>	<u>2,876,944</u>
Operating profit		19,587,423	30,170,872
Interest payable and similar charges		<u>(491)</u>	<u>(19,494)</u>
Profit before taxation	4	19,586,932	30,151,378
Taxation	5	<u>(6,401,333)</u>	<u>(8,280,331)</u>
Profit after taxation transferred to revenue reserve	17	<u>13,185,599</u>	<u>21,871,047</u>
Earnings per share (Kobo):			
Basic	28	<u>110</u>	<u>182</u>

The accounting policies on pages 22 and 23 and the explanatory notes on pages 27 to 37 form part of these financial statements.

DANGOTE SUGAR REFINERY PLC
BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 N'000	2008 N'000
FIXED ASSETS	6	<u>16,696,409</u>	<u>13,755,535</u>
INVESTMENT			
Investment in subsidiary	7	<u>968,125</u>	<u>874,255</u>
CURRENT ASSETS			
Stocks		14,094,044	9,257,767
Trade debtors	9	5,946,265	5,402,003
Other debtors and prepayments	10	790,347	3,504,002
Amount due from related companies	24.1	17,333,651	5,532,716
Bank and cash balances	11	<u>22,878,380</u>	<u>19,847,111</u>
		<u>61,042,687</u>	<u>43,543,599</u>
CREDITORS: Amounts falling due within one year			
Bank overdrafts		-	12,332
Trade creditors		14,003,672	8,999,918
Other creditors	12	3,586,800	5,130,581
Amount due to related companies	24.2	2,331,231	797,244
Taxation	5	<u>15,117,202</u>	<u>9,311,111</u>
		<u>35,038,905</u>	<u>24,251,186</u>
NET CURRENT ASSETS		<u>26,003,782</u>	<u>19,292,413</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,668,316</u>	<u>33,922,203</u>
Deferred taxation	13	(1,452,929)	(907,815)
PROVISION FOR LIABILITIES AND CHARGES			
Employees' gratuities	14	<u>(602,590)</u>	<u>(387,190)</u>
NET ASSETS		<u>41,612,797</u>	<u>32,627,198</u>
CAPITAL AND RESERVES			
Share capital	15	6,000,000	6,000,000
Share premium	16	6,320,524	6,320,524
Revenue reserve	17	<u>29,292,273</u>	<u>20,306,674</u>
		<u>41,612,797</u>	<u>32,627,198</u>

The financial statements on pages 22 to 39 were approved by the Board of Directors on 25 June 2010 and signed on its behalf by:


 _____ }
 _____ }
 _____ } *Directors*
 _____ }
 _____ }

The accounting policies on pages 22 and 23 and the explanatory notes on pages 27 to 37 form part of these financial statements.

DANGOTE SUGAR REFINERY PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 N'000	2008 N'000
Cash flows from operating activities			
Cash receipts from customers		81,860,199	80,707,528
Cash payments to suppliers and employees		(72,636,684)	(57,796,264)
VAT paid		(1,072,187)	(1,850,179)
Tax paid		<u>(50,128)</u>	<u>(7,243,574)</u>
Net cash provided by operating activities	19	<u>8,101,200</u>	<u>13,817,511</u>
Cash flows from investing activities			
Investment in subsidiary		(93,870)	(874,255)
Purchase of fixed assets	6	(4,510,976)	(645,210)
Proceeds on disposal of fixed assets		3,117	1,117
Interest received	3	<u>3,744,621</u>	<u>2,873,718</u>
Net cash provided by investing activities		<u>(857,108)</u>	<u>1,355,370</u>
Cash flows from financing activities			
Dividend paid:			
- 2007 Final		-	(5,000,000)
- 2008 Final	18	(4,200,000)	-
- 2008 Interim		-	(10,200,000)
Interest paid		<u>(491)</u>	<u>(19,494)</u>
Net cash provided by financing activities		<u>(4,200,491)</u>	<u>(15,219,494)</u>
Net increase/(decrease) in cash and cash equivalents		3,043,601	(46,613)
Cash and cash equivalents at 1 January		<u>19,834,779</u>	<u>19,881,392</u>
Cash and cash equivalents at 31 December	20	<u>22,878,380</u>	<u>19,834,779</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. THE COMPANY

1.1 LEGAL FORM

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

1.2 PRINCIPAL ACTIVITIES

The principal activity of the Company is the processing and marketing of sugar.

2. TURNOVER AND SEGMENT REPORTING

The analysis of turnover and gross profit is as follows:

	Turnover N'000	2009 Cost of Sales N'000	Gross Profit N'000	Turnover N'000	2008 Cost of Sales N'000	Gross Profit N'000
Sales of sugar	82,337,830	61,635,551	20,702,279	80,615,372	49,789,909	30,825,463
Sales of molasses	57,882	-	57,882	56,011	-	56,011
	<u>82,395,712</u>	<u>61,635,551</u>	<u>20,760,161</u>	<u>80,671,383</u>	<u>49,789,909</u>	<u>30,881,474</u>

3. OTHER INCOME

	2009 N'000	2008 N'000
Interest income	3,744,621	2,873,718
Sales of scraps and other items	2,522	3,137
Insurance claim	6,227	-
Profit on disposal of fixed assets	425	89
	<u>3,753,795</u>	<u>2,876,944</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

	2009 N'000	2008 N'000
4. PROFIT BEFORE TAXATION		
This is arrived at after charging/(crediting):		
Directors' emoluments:		
- Fees	2,350	2,350
- Others	56,405	64,772
Profit on disposal of fixed assets	(425)	(89)
Depreciation	1,567,410	924,363
Auditors' remuneration	24,150	23,000
Management fees (Note 25)	<u>1,647,914</u>	<u>1,613,428</u>
5. TAXATION		
Profit and loss account		
Income tax based on profit for the year	5,373,297	8,841,797
Education tax	432,794	629,127
Prior year underprovision	<u>50,128</u>	<u>-</u>
	5,856,219	9,470,924
Deferred taxation (Note 13)	<u>545,114</u>	<u>(1,190,593)</u>
As per profit and loss account	<u>6,401,333</u>	<u>8,280,331</u>
Balance sheet		
At 1 January	9,311,111	7,083,761
Charge for the year	5,856,219	9,470,924
Payment made during the year.	<u>(50,128)</u>	<u>(7,243,574)</u>
At 31 December	<u>15,117,202</u>	<u>9,311,111</u>

The charge for taxation in these financial statements was based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended and the Education Tax Act, CAP E 4, LFN 2004.

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

6. FIXED ASSETS

	Leasehold land and buildings N'000	Plant and machinery N'000	Tools and equipment N'000	Computer equipment N'000	Furniture and fittings N'000	Motor vehicles N '000	Assets under construction N'000	Total N'000
Cost								
At 1 January 2009	3,328,855	11,954,659	153,906	10,668	17,386	154,773	753,994	16,374,241
Additions	23,705	615,567	4,797	4,983	1,116	2,294,213	1,566,595	4,510,976
Disposal	-	-	-	-	(1,331)	(3,695)	-	(5,026)
At 31 December 2009	<u>3,352,560</u>	<u>12,570,226</u>	<u>158,703</u>	<u>15,651</u>	<u>17,171</u>	<u>2,445,291</u>	<u>2,320,589</u>	<u>20,880,191</u>
Depreciation								
At 1 January 2009	199,496	2,229,274	102,928	8,012	8,435	70,561	-	2,618,706
Charge for the year	67,051	838,434	39,676	5,216	4,111	612,922	-	1,567,410
Disposal	-	-	-	-	(644)	(1,690)	-	(2,334)
At 31 December 2009	<u>266,547</u>	<u>3,067,708</u>	<u>142,604</u>	<u>13,228</u>	<u>11,902</u>	<u>681,793</u>	<u>-</u>	<u>4,183,782</u>
Net book value								
At 31 December 2009	<u>3,086,013</u>	<u>9,502,518</u>	<u>16,099</u>	<u>2,423</u>	<u>5,269</u>	<u>1,763,498</u>	<u>2,320,589</u>	<u>16,696,409</u>
At 31 December 2008	<u>3,129,359</u>	<u>9,725,385</u>	<u>50,978</u>	<u>2,656</u>	<u>8,951</u>	<u>84,212</u>	<u>753,994</u>	<u>13,755,535</u>

Assets under construction represent expenditure incurred on the factory expansion project.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

7. INVESTMENT

This relates to the total amount committed by the Company in construction of a Refinery in Algeria, through a wholly owned company named Dangote Sucreire Algerie SPA.

	2009	2008
	N'000	N'000
8. STOCKS		
Raw materials	7,837,741	3,706,584
Finished goods	5,554,914	2,562,862
Work in progress	147,481	58,737
Spare parts, sundry and oil and lubricants	459,085	323,923
Goods -in-transit	74,770	2,529,236
Packing materials	20,053	76,425
	<u>14,094,044</u>	<u>9,257,767</u>
9. TRADE DEBTORS		
Gross debtors	6,515,775	5,904,248
Provision for bad and doubtful debts	(569,510)	(502,245)
	<u>5,946,265</u>	<u>5,402,003</u>
10. DEBTORS AND PREPAYMENTS		
Other debtors	655,624	3,433,639
Provision	(69,380)	(107,745)
	586,244	3,325,894
Prepayments	204,103	178,108
	<u>790,347</u>	<u>3,504,002</u>
11. BANK AND CASH BALANCES		
Cash in hand	3,411	2,411
Cash in bank	3,504,969	2,394,700
Bank deposits	19,370,000	17,450,000
	<u>22,878,380</u>	<u>19,847,111</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

	2009 N'000	2008 N'000
12. OTHER CREDITORS		
Accruals	624,849	1,245,721
Staff pension (Note 12.1)	18,464	11,818
Other credit balances	<u>2,943,487</u>	<u>3,873,042</u>
	<u>3,586,800</u>	<u>5,130,581</u>
12.1 STAFF PENSION		
At 1 January	11,818	10,500
Provision for the year	46,278	36,270
Payments during the year	<u>(39,632)</u>	<u>(34,952)</u>
At 31 December	<u>18,464</u>	<u>11,818</u>
13. DEFERRED TAXATION		
At 1 January	907,815	2,098,408
Provision for the year	<u>545,114</u>	<u>(1,190,593)</u>
At 31 December	<u>1,452,929</u>	<u>907,815</u>
14. EMPLOYEES' GRATUITIES		
At 1 January	387,190	251,889
Provision for the year	239,417	157,490
Payments during the year	<u>(24,017)</u>	<u>(22,189)</u>
At 31 December	<u>602,590</u>	<u>387,190</u>
15. SHARE CAPITAL		
Authorised:		
12,000,000,000 ordinary shares of 50k each	<u>6,000,000</u>	<u>6,000,000</u>
Issued and fully paid:		
12,000,000,000 ordinary shares of 50k each		
At 1 January	6,000,000	5,000,000
Bonus issue	<u>-</u>	<u>1,000,000</u>
At 31 December	<u>6,000,000</u>	<u>6,000,000</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

	2009 N'000	2008 N'000
16. SHARE PREMIUM	<u>6,320,524</u>	<u>6,320,524</u>
Share premium represents excess of the shareholders value over the nominal share capital at the point of the commencement of operation in January 2006.		
17. REVENUE RESERVE		
At 1 January	20,306,674	14,635,627
Transfer from profit and loss account	13,185,599	21,871,047
Final dividend (Note 18)	(4,200,000)	(5,000,000)
Interim dividend	-	(10,200,000)
Transfer to bonus issue	<u>-</u>	<u>(1,000,000)</u>
At 31 December	<u>29,292,273</u>	<u>20,306,674</u>

18. DIVIDEND PAID AND PROPOSED

The shareholders at the Annual General Meeting held on 30 June 2009 approved a final dividend of 35 kobo per share in respect of the year ended 31 December, 2008. This was paid net of withholding tax in July 2009 (Total amount paid was N4,200,000,000).

The Directors are proposing a dividend of N1 per one ordinary share of 50 kobo each be paid to shareholders. This dividend is subject to approval by the shareholders at the Annual General Meeting. Consequently, it has not been included as liability in these financial statements since dividends to shareholders are accounted for on the date of declaration, as they do not meet the criteria of present obligation in Statement of Accounting Standard (SAS) 23. The proposed dividend is subject to deduction of withholding tax at the appropriate rate and the total estimated dividend to be paid is N12 billion (2008:N14.4 billion).

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

	2009 N'000	2008 N'000
19. RECONCILIATION OF PROFIT AFTER TAXATION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Profit after taxation	13,185,599	21,871,047
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,567,410	924,363
Interest payable and similar charges	491	19,494
Profit on disposal of fixed asset	(425)	(89)
Interest income	(3,744,621)	(2,873,718)
Changes in assets and liabilities:		
Increase in stocks	(4,836,277)	(5,160,124)
(Increase) /decrease in trade debtors	(544,262)	33,008
Decrease/(increase) in other debtors and prepayments	2,713,655	(573,012)
Increase in amount due from related companies	(11,800,935)	(1,895,089)
Increase in trade creditors	5,003,754	2,458,905
Decrease in other creditors	(1,543,781)	(2,956,576)
Increase in amount due to related companies	1,533,987	797,244
Increase in taxation	5,806,091	2,227,350
Increase/(decrease) in deferred taxation	545,114	(1,190,593)
Increase in gratuity	215,400	135,301
Net cash provided by operating activities	8,101,200	13,817,511
20. CASH AND CASH EQUIVALENTS		
Bank and cash balances (Notes 11)	22,878,380	19,847,111
Bank overdrafts	-	(12,332)
	22,878,380	19,834,779

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

	2009	2008		
	N'000	N'000		
21. INFORMATION REGARDING DIRECTORS AND EMPLOYEES				
21.1 DIRECTORS				
Directors' emolument comprises:				
Fees	2,350	2,350		
Salaries	44,255	50,822		
Others	<u>12,150</u>	<u>13,950</u>		
	<u>58,755</u>	<u>67,122</u>		
 Emoluments of the highest paid Director was	 <u>22,258</u>	 <u>30,759</u>		
 The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:				
	N'000	N'000	Number	Number
	20,000 -	21,000	-	1
	21,000 -	22,000	1	-
	22,000 -	23,000	1	-
	30,000	31,000	<u>-</u>	<u>1</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

		2009	2008
		N'000	N'000
21.2	EMPLOYEES		
	Average number of persons employed during the year:		
	Management	19	16
	Senior staff	216	184
	Junior staff	511	545
		<u>746</u>	<u>745</u>
	Aggregate payroll costs:		
	Wages, salaries, allowances and other benefits	1,335,146	1,061,939
	Provision for gratuities	239,417	157,490
	Pension cost	38,762	33,205
		<u>1,613,325</u>	<u>1,252,634</u>

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

N'000	N'000	Number	
201 -	400	-	11
401 -	600	151	142
601 -	800	252	283
801 -	1,000	80	110
1,001 -	2,000	28	153
2,000 - above		235	46
		<u>746</u>	<u>745</u>

DANGOTE SUGAR REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

22. CONTINGENT LIABILITIES

22.1 No provision has been made in these financial statements for contingent liabilities in respect of pending litigation amounting to N63.98 million (2008 - Nil) as the Directors are of the opinion, based on solicitors' advice that the company would only be jointly liable to the sum not exceeding N20 million.

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

23. CAPITAL COMMITMENTS

There were capital commitments in respect of the Lagos factory expansion and new retail packaging plant which amounted to N141.56 million at the end of the year (2008 - N223.41 million).

24. RELATED PARTY TRANSACTIONS

There were no intercompany sales. However, related party transactions arose from collection from customers and payments to suppliers by Dangote Industries Limited on behalf of Dangote Sugar Refinery Plc. In addition, there are other transactions with other related companies in the area of utilisation of energy which is surplus to the Company's requirement. The net balance emanating from these transactions amounted to N15.002 billion (31 December 2008 : N4.735 billion) as analysed below:

	2009 N'000	2008 N'000
24.1 Due from related companies		
Benue Cement Company Plc	1,171,244	1,686,762
Dangote Transport Limited	734,455	697,427
Dangote Textile Industries Limited	3,465	3,465
Agrosacks Nigeria Limited	-	33,857
Dansa Foods Limited	6,766	6,766
Nascon Plc	71,976	-
Savannah Sugar Plc	77,619	52,826
Dangote Flour Plc	48,338	60,015
Dangote Nigeria Clearing Limited	18,522	18,522
Dangote Pasta Plc	21,776	30,872
Obajana Cement Company Plc	103,599	110,541
Dangote Industries Limited	15,065,482	2,831,663
Dangote Noodles Limited	10,409	-
	<u>17,333,651</u>	<u>5,532,716</u>

DANGOTE SUGAR REFINERY PLC**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009**

	2009 N'000	2008 N'000
24.2 Due to related companies		
Greenview Development Company Limited	214,985	215,576
Obajana Cement Plc (Cement Bagging Terminal, Lagos)	1,729,479	562,412
Nascon Plc	-	19,256
Agrosacks Nigeria Limited	148,293	-
Bluestar Investments U.K	<u>238,474</u>	<u>-</u>
	<u>2,331,231</u>	<u>797,244</u>

25. MANAGEMENT AGREEMENT

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

26. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events which could have a material effect on the financial statements for the year ended 31 December 2009.

27. COMPARATIVE FIGURES

Certain balances in prior year have been reclassified where necessary for more meaningful comparison.

28. 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 numbers of shares outstanding during the year.

DANGOTE SUGAR REFINERY PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 N'000	%	2008 N'000	%
Sales	82,395,712		80,671,383	
Other income	3,753,795		2,876,944	
	<u>86,149,507</u>		<u>83,548,327</u>	
Bought-in-materials and services:				
- Imported	(62,953,126)		(47,224,706)	
- Local	(428,223)		(3,975,752)	
Value added	<u>22,768,158</u>	<u>100</u>	<u>32,347,869</u>	<u>100</u>
Applied as follows:				
To pay employees:				
Salaries, wages and other benefits	1,613,325	7	1,252,634	4
To pay Government:				
- Income tax	5,423,425	24	8,841,797	27
- Education tax	432,794	2	629,127	2
To pay providers of capital:				
Interest on loans and bank overdrafts	491	-	19,494	-
To provide for enhancement of assets, growth and payment of dividend:				
- Deferred taxation	545,114	2	(1,190,593)	(4)
- Depreciation	1,567,410	7	924,363	3
- Profit and loss account	13,185,599	58	21,871,047	68
	<u>22,768,158</u>	<u>100</u>	<u>32,347,869</u>	<u>100</u>

"Value added" represents the additional wealth the company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth between employees, capital providers, government and that retained for future creation of more wealth.

DANGOTE SUGAR REFINERY PLC

FINANCIAL SUMMARY

31 DECEMBER	2009 N'000	2008 N'000	2007 N'000	2006 N'000
Fixed assets	16,696,409	13,755,535	14,035,716	14,267,957
Investment	968,125	874,255	-	-
Net current assets	<u>26,003,782</u>	<u>19,292,413</u>	<u>14,270,732</u>	<u>13,920,438</u>
	43,668,316	33,922,203	28,306,448	28,188,395
Deferred taxation	(1,452,929)	(907,815)	(2,098,408)	-
Employees' gratuities	<u>(602,590)</u>	<u>(387,190)</u>	<u>(251,889)</u>	<u>(210,805)</u>
	<u>41,612,797</u>	<u>32,627,198</u>	<u>25,956,151</u>	<u>27,977,590</u>

Capital and reserves

Share capital	6,000,000	6,000,000	5,000,000	5,000,000
Share premium	6,320,524	6,320,524	6,320,524	6,320,524
Revenue reserve	<u>29,292,273</u>	<u>20,306,674</u>	<u>14,635,627</u>	<u>16,657,066</u>
	<u>41,612,797</u>	<u>32,627,198</u>	<u>25,956,151</u>	<u>27,977,590</u>

TURNOVER AND
PROFIT

Turnover	<u>82,395,712</u>	<u>80,671,383</u>	<u>80,649,442</u>	<u>83,767,906</u>
Profit before taxation	19,586,932	30,151,378	30,660,730	16,657,066
Profit after taxation	<u>13,185,599</u>	<u>21,871,047</u>	<u>21,478,561</u>	<u>16,657,066</u>

Per share data
(kobo):

Earnings - basic	110	182	215	167
Earnings - diluted	-	-	179	139
Net assets	<u>347</u>	<u>272</u>	<u>216</u>	<u>233</u>

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

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

Board



Alhaji Aliko Dangote (CON)
Chairman



Alh. Sani Dangote
Director



Alh. Abdu Dantata
Director



Ms. Bennedikter Molukwu
Director

of Directors



Mr. Suleiman Olarinde
Acting Managing Director



Mr. Olakunle Alake
Director



Dr. Konyinsola Ajayi (SAN)
Director



Mr. Uzoma Nwankwo
Director

SHARE CAPITALISATION HISTORY

YEAR	AUTHORISED (N'000)		AUTHORISED ('000)	ISSUED & FULLY PAID UP (N'000)		ISSUED & FULLY PAID ('000)	CONSIDERATION
	INCREASE	CUMULATIVE	NUMBER OF SHARES	INCREASE	CUMULATIVE	NUMBER OF SHARES	
27-12-04	50,000	50,000	50,000	500	500	500	Cash
30-06-06	0	50,000	50,000	49,500	50,000	50,000	Scheme Shares
26-07-06	5,950,000	6,000,000	12,000,000	4,950,000	5,000,000	10,000,000	Bonus and stock split from N1.00 to 50 kobo
27-03-08	0	6,000,000	12,000,000	1,000,000	6,000,000	12,000,000	Bonus

PROXY FORM

DANGOTE SUGAR REFINERY PLC. RC: 613748

FOURTH ANNUAL GENERAL MEETING TO BE HELD AT TAHIR GUEST PALACE, KANO, KANO STATE, ON TUESDAY, JULY 27, 2010 AT 12 NOON

I/WE.....ofbeing a shareholder of Dangote Sugar Refinery Plc. hereby appoint..... or failing him/heror as my/our Proxy to act and vote for me/us on my/our behalf at the 4th Annual General Meeting to be held on Tuesday July 27, 2010 and at any adjournment thereof.

DATED THEDAY OF2010.

SHAREHOLDER'S SIGNATURE

Table with 5 columns: NO., ORDINARY BUSINESS, FOR, AGAINST. Rows include resolutions like 'To receive the Audited Financial Statements for the year ended 31st December 2009...', 'To declare a dividend', 'To elect/re-elect Directors', etc.

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

NOTE:

- i. A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy form should be deposited at the registered office of the Registrar (as in notice) not later than 48 hours before the meeting.
ii. In the case of Joint Shareholders, any of them may complete the form, but the names of all Joint Shareholders must be stated.
iii. If the shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an attorney duly authorised.
iv. The Proxy must produce the Admission Card sent with the Notice of the meeting to gain entrance to the meeting.
v. It is a legal requirement that all instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear appropriate stamp duty from the Stamp Duties office (not adhesive postage stamps).

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

ADMISSION CARD

NAME AND ADDRESS OF SHAREHOLDER(S):

Empty rectangular box for name and address.

NUMBER OF SHARES HELD:

Empty rectangular box for number of shares held.

Please admit..... to the 4th Annual General Meeting of Dangote Sugar Refinery Plc, to be held at Tahir Guest Palace, Kano, Kano State at 12 noon on Tuesday, July 27, 2010.

Signature of person attending:

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

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

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

