

Lafarge Africa Plc
Annual Report
31 December 2023

Lafarge Africa Plc

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Lafarge Africa Plc

Corporate Information

Company registration number

RC 1858

TIN- 01057508-0001

Directors

Mr. Adebode Adefioye
Mr. Lolu Alade-Akinyemi
Mrs. Elenda Giwa-Amu
Mrs. Adenike Ogunlesi
Mrs. Karine Uzan Mercie (French)
Mr. Khaled Abdel Aziz El Dokani (Egyptian)
Mr. Gbenga Oyebode, MFR
Mrs. Oyinkan Adewale (FCA)
Mr. Kaspar Theiler (Swiss)
Mr. Rajesh Surana (Indian) - (appointed w.e.f 27th April, 2023)
Mrs. Claudia Albertini (Italian) - (appointed w.e.f 28th July 2023)
Mr. Grant Earnshaw (British) - (resigned w.e.f 6th April 2023)
Ms. Sonal Shrivastava (Indian) - (resigned w.e.f 1st June 2023)
Mrs. Virginie Darbo (French) - (resigned w.e.f 25th February 2023)

Chairman
Group Managing Director/CCEO
Non-Executive Director
Independent Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Acting Chief Financial Officer

Mr. Chinedu Richard

Company Secretary

Mrs. Adewunmi Alode

Company Registered Office

Lafarge Africa Plc
27B, Gerrard Road,
Ikoyi,
Lagos

Registrar

Cardinal Stone (Registrars) Limited
[formerly City Securities (Registrars) Limited]
335/337, Herbert Macaulay Road,
Yaba,
Lagos

Independent Auditor

Ernst & Young Professional Services
57, UBA House Marina Rd
Lagos-Island
Lagos
(appointed 28th April 2023)

Principal Bankers

Access Bank Plc
Citibank Nigeria Limited
Citibank Europe Plc
First Bank of Nigeria Ltd
Guaranty Trust Bank Plc
Standard Chartered Bank Nigeria Ltd
Stanbic IBTC Bank Plc
United Bank for Africa Plc
Wema Bank Plc
Zenith Bank Plc
Ecobank Nigeria
First City Monument Bank Ltd
Globus Bank Limited
Union Bank of Nigeria Plc

Lafarge Africa Plc

Report of the Directors - Continued

The Directors are pleased to present the Annual Report of Lafarge Africa Plc (“the Company”) and its subsidiaries (together, “the Group”) for the year ended 31 December 2023.

Legal form

Lafarge Africa Plc, a public quoted company on The Nigerian Exchange Group (NGX), was incorporated in Nigeria under the Companies Act (now Companies and Allied Matters Act (CAMA) 2020) on the 24th of February 1959. The Company became listed on the Nigerian Stock Exchange in 1979. The name of the Company was changed from Lafarge Cement WAPCO Nigeria Plc to Lafarge Africa Plc on the 9th of July 2014.

Subsidiaries

The Company has full ownership of AshakaCem Limited and Wapsila Nigeria Limited. The principal activities of AshakaCem Limited are the manufacturing and marketing of cement. The principal activity of Wapsila Limited is the generation and sale of power.

Principal activities

During the year under review, the principal activities of the Group and the Company remained manufacturing and marketing of cement, concrete and aggregates products, the provision of building solutions and sale of power.

Results and dividends

The results of the Group and the Company for the year ended 31 December 2023 are set out on page 16. The summarised results are presented below.

	The Group		The Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Revenue	405,502,712	373,244,938	372,513,521	340,633,999
Profit before minimum tax	80,694,611	69,744,701	76,361,587	71,537,203
Minimum tax	(1,912,805)	(1,433,556)	(1,912,805)	(1,263,252)
Income tax expense	(27,640,736)	(14,663,689)	(26,392,345)	(15,241,491)
Profit for the year	51,141,070	53,647,456	48,056,437	55,032,460
Other comprehensive income for the year	3,688	1,669	3,688	1,669
Total comprehensive income for the year	51,144,758	53,649,125	48,060,124	55,034,129

The Board of Directors is proposing a gross dividend of 190k (2022: 200K) on every ordinary share in issue, amounting to ₦30,604,811,869.90 (2022: ₦32,215,591,442.00). The proposed dividend is payable from the pioneer profits reserve and is not subject to deduction of withholding tax. The proposed dividend is subject to approval by the Shareholders at the Annual General Meeting.

Shareholding and substantial shareholders

The issued and fully paid-up Share Capital of the Company as at 31 December 2023 was 16,107,795,721 ordinary shares of 50kobo each (31 December 2022: 16,107,795,721 ordinary shares of 50 kobo each). The Register of Members shows that two companies: Associated International Cement Limited (AIC UK) and CariCement BV, each held more than 5% of the Company's Issued share capital.

Holcim Limited is an international investor holding its shares in the names of its subsidiaries: AIC UK (27.77%) and CariCement BV (56.04%). Total shareholding of Holcim Limited in the Company was 83.81% as at 31 December 2023. The remaining 16.19% of the issued shares were held by other individuals and institutions.

Lafarge Africa Plc

Report of the Directors - Continued

Aside the aforementioned two companies, no other shareholder held more than 5% of the issued share capital of the Company as at 31 December 2023.

Shareholding analysis

The Registrars have advised that the range of shareholding as at 31st December 2023 was as follows:

Range	No of Holders	Percent	Unit	Percent
1 - 500	48,752	39.34	12,028,172	0.07
501 - 5000	59,426	47.96	95,346,981	0.59
5001 - 50000	13,000	10.49	185,066,439	1.15
50001 - 500000	2,335	1.88	337,120,460	2.09
500001 - 5000000	351	0.28	490,940,123	3.05
5000001 - 50000000	48	0.04	656,280,713	4.07
50000001 - 500000000	5	0.00	830,602,241	5.16
500000001 - 5000000000	1	0.00	4,473,044,718	27.77
5000000001 - 16107795721	1	0.00	9,027,365,874	56.04
Grand Total	123,919	100	16,107,795,721	100

Unclaimed dividend and share certificates

The Company has posted to shareholders a list of unclaimed dividend and share certificates. Shareholders are enjoined to review the list to claim their dividend(s) or share certificate(s). For further assistance in this regard, Shareholders should contact the Company Secretary or the Registrars, Cardinal Stone Registrars Limited.

The Company's Registrars have advised that the total amount outstanding as at 31 December 2023 is the sum of ₦2,073,230,034.

Directors' responsibilities in relation to the financial statements

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 22 to 101 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Amendment Act, 2023

The Directors further accept responsibility for maintaining accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 and for such internal control as the Directors determine is necessary to ensure adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds, errors and other irregularities.

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 for at least twelve months from the date of this statement.

Lafarge Africa Plc

Report of the Directors - Continued

Directors

The names of Directors at the date of this report and those who held office during the year as follows:

Mr. Adebode Adefioye	Chairman
Mr. Lolu Alade-Akinyemi	Group Managing Director/CCEO
Mrs. Elenda Giwa-Amu	Non-Executive Director
Mrs. Adenike Ogunlesi	Independent Non-Executive Director
Mrs. Karine Uzan Mercie (French)	Non-Executive Director
Mr. Khaled Abdel Aziz El Dokani (Egyptian)	Non-Executive Director
Mr. Gbenga Oyebode, MFR	Independent Non-Executive Director
Mrs. Oyinkan Adewale (FCA)	Independent Non-Executive Director
Mr. Kaspar Theiler (Swiss)	Non-Executive Director
Mr. Rajesh Surana (Indian) - (appointed w.e.f April 27, 2023)	Non-Executive Director
Mrs. Claudia Albertini - (appointed w.e.f 28th July 2023)	Non-Executive Director
Mr. Grant Earnshaw - (resigned w.e.f 6th April 2023)	Non-Executive Director
Ms. Sonal Shrivastava - (resigned w.e.f 1st June 2023)	Non-Executive Director
Mrs. Virginie Darbo - (resigned w.e.f 25th February 2023)	Non-Executive Director

Directors' interests in shares

In accordance with sections 301 and 385 of the Companies and Allied Matters Act, (CAMA) 2020 and in compliance with the Listing Rules of the Nigerian Exchange Group, the interests of Directors in the issued share capital of the Company, as recorded in the Register of Members and/or notified by them are as follows:

Directors

Mr. Adebode Adefioye
Mr. Lolu Alade-Akinyemi
Mrs. Elenda Giwa-Amu
Mrs. Adenike Ogunlesi
Mrs. Karine Uzan Mercie (French)
Mr. Khaled Abdel Aziz El Dokani (Egyptian)
Mr. Gbenga Oyebode, MFR
Mrs. Oyinkan Adewale (FCA)
Mr. Kaspar Theiler (Swiss)
Mr. Rajesh Surana (Indian) - (appointed w.e.f April 27, 2023)
Mrs. Claudia Albertini - (appointed w.e.f 28th July 2023)
Mr. Grant Earnshaw - (resigned w.e.f 6th April 2023)
Ms. Sonal Shrivastava - (resigned w.e.f 1st June 2023)
Mrs. Virginie Darbo - (resigned w.e.f 25th February 2023)

No of shares 31.12.2023	No of shares 31.12.2022
-	-
-	-
203,550	203,550
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
203,550	203,550

Total

Except as disclosed above, none of the Directors has notified the Company of any disclosable interests in the Company's share capital and none of the Directors has an indirect shareholding in the Company.

Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 to the effect that they were members or held shareholding of some specified companies, which could be regarded as interested in any contracts with which the Company was involved as at 31st December, 2023.

Lafarge Africa Plc

Report of the Directors - Continued

Donations and charitable gifts

In 2023, the Group and the Company expended ₦930 million (2022: ₦760 million) on diverse social investment programs and initiatives in our communities in Nigeria. The breakdown of the contributions is as follows:

	31 Dec 2023	31 Dec 2022
Corporate Social Responsibility Interventions	₦921,353,820	₦751,241,016
Donations & Sponsorships	₦9,000,000	₦9,750,000
Total	₦930,353,820	₦760,991,016

Donations and charitable gifts by communities

	31 Dec 2023	31 Dec 2022
Mfamosing, Cross Rivers State	₦374,068,330	₦247,246,756
Ewekoro, Ogun State	₦219,152,000	₦216,900,000
Sagamu, Ogun State	₦149,822,250	₦130,000,000
Ashaka, Gombe State	₦175,382,350	₦108,147,260
Elsewhere in Nigeria	₦2,928,890	₦58,697,000
Donations & Sponsorships	₦9,000,000	₦9,750,000
	₦930,353,820	760,991,016

In accordance with the provisions of Section 43 (2) of Companies and Allied Matters Act 2020 and the Holcim Group Donations Policy, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year in review (2022: nil).

Property, plant and equipment

Information relating to changes in property, plant & equipment is disclosed in Note 15 to the consolidated and separate financial Statements. In the opinion of the Directors, the recoverable amount of the Group's property, plant and equipment are not less than the value shown in the audited financial statements.

Whistle blowing

The Company is committed to conducting its affairs ethically and responsibly. Unethical behaviour costs 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 and external whistle blowing processes.

Health and Safety

In Lafarge Africa Plc, Health and Safety is our core value. In 2023, significant progress was made with the initiative, which started in 2016, to imbibe health and safety as a core value for every employee, contractor and stakeholders we interact with as a business.

Employment of physically challenged persons

Lafarge Africa Plc is an equal opportunity employer and does not discriminate on any grounds. Therefore, the company provide employment opportunities to physically challenged persons, bearing in mind the respective abilities of the applicants concerned. In the event that an employee becomes physically challenged while in the employment of the Company, every effort is made to ensure that their employment with the Company continues and that appropriate training and support is given to them.

Lafarge Africa Plc

Report of the Directors - Continued

Employees' involvement and training

Management, professional and technical expertise are the Company's major assets. The Company continues to invest in developing such skills to enhance the productivity of its employees. The Company continuously organizes training for its employees. This has broadened opportunities for career development within the Company.

Sustainability

The Group believes that as a responsible Group it must contribute to the society, play an active role in the development of the communities within which it operates; and that the implementation of proactive measures in favour of sustainability creates value not only for its shareholders, but also for its teams, its customers and all its stakeholders.

Learning and development

As the organisation continues to evolve, it continue to equip its employees with both technical and management skills to hone their competencies, to prepare them to cope with challenging environments and a sustainable future.

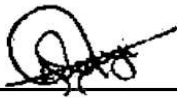
Statutory Audit Committee

In accordance with Section 404 (3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee of the Company was constituted at the 64th Annual General Meeting held in Lagos, Nigeria on the 28th April 2023, comprising of three (3) shareholders and two (2) Non-Executive Directors namely: i) Mr. Adebayo Adeleke; Mr. David Adekanmbi; and Mr. Timothy Adejuwon, (Shareholders' Representatives) and iv) Mrs. Oyinkan Adewale; and v) Mrs. Karine Uzan Mercie (Directors).

Independent Auditor

Messrs Ernst & Young were appointed on 28th April 2023 as independent auditor of the Company in accordance with Section 401(1) of the Companies and Allied Matters Act of Nigeria, 2020. A resolution will be proposed to approve at the Annual General Meeting empowering the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Adewunmi Alode (Mrs.)

Company Secretary

FRC/2018/ICSAN/00000017796

Dated 28th February 2024

Lafarge Africa Plc

Audit Committee's Report

In accordance with Section 404(7) of the Companies and Allied Matters Act (CAMA), 2020, we, the members of the Audit Committee have reviewed and considered the Auditor's Report required to be made in accordance with Section 404 (7) of CAMA and report as follows:

- i. The scope and planning of the internal audits for the year ended 31 December 2023 are satisfactory. The internal audit programs reinforce the Company's internal control system;
- ii. The scope and planning of statutory audit for the year ended 31 December 2023 are satisfactory;
- iii. Having reviewed the Independent Auditor's management letter on accounting procedures and internal controls, we are satisfied with management's responses thereto;
- iv. The accounting and reporting policies for the year ended 31 December 2023 are in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2023.

In our opinion, the scope and planning of the audit for the year ended 31st December 2023 were adequate and Management's responses to the Auditor's findings were satisfactory.



Mr. Adebayo Adeleke
FRC/2013/NIM/00000002317
Chairman, Audit Committee
Dated 28th February 2024

Audit Committee members

Mr. Adebayo Adeleke
Mr. David Adekanmbi
Mr. Timothy Adejuwon
Mrs. Oyinkan Adewale, FCA
Mrs. Karine Uzan Mercie

Shareholder Representative
Shareholder Representative
Shareholder Representative
Independent Non-Executive Director
Non-Executive Director

Lafarge Africa Plc

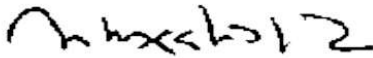
Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2023.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Separate financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Adebode Adefioye (Chairman)
FRC/2017/IODN/00000016512
Date: 28th February 2024



Lolu Alade-Akinyemi
FRC/2020/001/00000020157
Date: 28th February 2024

Lafarge Africa Plc

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements

Further to the provisions of Section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director and Acting Chief Financial Officer, hereby certify the consolidated and separate financial statements of Lafarge Africa Plc for the year ended 31 December 2023 as follows:

- (a) That we have reviewed the audited consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023.
- (b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the audited consolidated and separate financial statements and all other financial information included in the consolidated and separate financial statements fairly present, in all material respects, the financial condition and results of operation of the Group and the Company as of and for, the year ended 31 December 2023.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the principal officer by other officers of the companies, during the year ended 31 December 2023.
- (e) That we have evaluated the effectiveness of the Group's the Company's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Group's and the Company's internal controls are effective as of that date.
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Group's Independent Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and we have identified for the Group's independent auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Group's internal control.



Alade-Akinyemi Lolu

Group Managing Director

FRC/2020/001/00000020157

Date: 28th February 2024



Chinedu Richard

Acting Chief Financial Officer

FRC/2023/PRO/ANAN/001/294596

Date: 28th February 2024

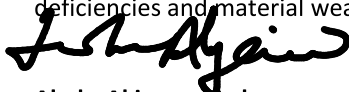
LAFARGE AFRICA PLC
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FOR THE YEAR ENDED 31 DECEMBER 2023

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 11 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Lafarge Africa Plc for the year ended 31 December 2023.

I Chinedu Richard, certify that:

- a. I have reviewed this management assessment on Internal control over financial reporting of Lafarge Africa Plc:
- b. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d. The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such Internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures as of the end of the period covered by this report based on such evaluation.
- e. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information: and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f. The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Alade-Akinyem Lolu
Group Managing Director
FRC/2020/01/00000020157
Dated: 28 February 2024



Chinedu Richard
Acting Chief Financial Officer
FRC/2023/PRO/ANAN/001/294596
Dated: 28 February 2024

LAFARGE AFRICA PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Management Annual Assessment of, and Report on the Entity's Internal Control Over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Lafarge Africa Plc for the year ended 31 December 2023;

- i. Lafarge Plc's management is responsible for establishing and maintaining a system of Internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. Lafarge Africa Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii. Lafarge Africa Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.
- iv. Lafarge Africa Plc's external auditor Messrs. Ernst and Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Ernst and Young that audited its financial statements will be filed as part of its annual report.



Mr. Adebode Adefioye
Chairman
FRC/2017/IODN/00000016512
Dated: 28 February 2024



Alade-Akinyemi Lolu
Group Managing Director
FRC/2020/01/00000020157
Dated: 28 February 2024



Building a better
Working world

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P.O. Box 2442, Marina

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Fax: +234 (01) 463 0481
Email : service@ng.ey.com
www.ey.com

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the members of Lafarge Africa Plc

Scope

We have been engaged by Lafarge Africa Plc to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Lafarge Africa Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in Lafarge Africa Plc's (the "Company's") Management's Assessment on Internal Control over Financial Reporting as of 31 December 2023 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated and separate financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by Lafarge Africa Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Lafarge Africa Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Lafarge Africa Plc's responsibilities

Lafarge Africa Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Lafarge Africa Plc's *management's assessment of the Internal Control over Financial reporting as of 31 December 2023* in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2023, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.



Other Matter

We also have audited, in accordance with the International Standards on Auditing, the annual report for the year ended 31 December 2023 of Lafarge Africa Plc and our report dated 28 February 2024 and we expressed an unmodified opinion. Our conclusion is not modified in respect of this matter.

Funmi Ogunlowo

FRC|2013|ICAN|00000000681

For Ernst & Young

Lagos, Nigeria

28 February 2024





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Independent Auditor's Report

To the Shareholders of Lafarge Africa Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Lafarge Africa Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matter(s) apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in the audit
<p>Inventory Obsolescence for off-spec clinker</p> <p>The Group and the Company have significant volume of 'off-spec' clinker arising from power fluctuations and other factors in the production process. The off-spec clinker has accumulated across all plants and continue to suffer deterioration due to weather impact and low consumption.</p> <p>Management judgment is applied in the determination of obsolescence allowance for the off-spec clinker by assessing the reasonableness of the pattern of production and consumption of the off-spec clinker.</p> <p>Consequently, management has performed an obsolescence assessment of the off-spec clinker across all plants and made an allowance of ₦ 4.86 billion and ₦ 620 million for the Group and the Company respectively in the consolidated and separate financial statements.</p> <p>Refer to Note 20 to the Consolidated and Separate Financial Statements (Inventories).</p> <p>This is considered a key audit matter due to the significance of the amount and the judgement exercised by management in the determination of the allowance.</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"> ▶We made inquiries of management and evaluate management's processes and procedures for the identification of off-spec clinker within its production process. ▶We observed the physical measurement of the off-spec clinker at year end by the specialist and ascertained that the quantities used in the estimation is appropriate. ▶We obtained management's assessment of obsolescence allowance and checked the basis of the amount recognized as obsolescence allowance of off-spec' clinker including the mathematical accuracy. ▶We evaluated management's judgment applied in determining the amount of obsolescence allowance by checking the reasonableness of the pattern of production and consumption of off-spec clinker applied by management in its assessment of its obsolescence allowance. ▶We considered the adequacy of the Group and the Company's disclosures in relation to the obsolescence allowance for off-spec clinker in line with the relevant accounting standards.

Other Matter

The consolidated and separate financial statements of Lafarge Africa Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 28 February 2023.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “Lafarge Africa Plc Annual Report for the year ended 31 December 2023”, which includes the Corporate Information, Report of the Directors, Audit Committee’s Report, Statement of Directors’ Responsibilities in Relation to the preparation of Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance

in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified attestation in our report dated 28 February 2024.



Funmi Ogunlowo

FRC|2013|ICAN|0000000681

For Ernst & Young

Lagos, Nigeria

28 February 2024



Lafarge Africa Plc

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	Notes	The Group		The Company	
		31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Revenue	6	405,502,712	373,244,938	372,513,521	340,633,999
Cost of sales	7	(198,786,889)	(177,023,232)	(176,026,683)	(151,382,023)
Gross profit		206,715,823	196,221,706	196,486,838	189,251,976
Selling and distribution costs	8	(78,055,017)	(89,576,446)	(73,200,969)	(83,521,144)
Administrative expenses	9	(27,560,903)	(22,577,685)	(26,659,663)	(21,608,227)
Other income	10	891,704	557,487	639,186	356,754
Impairment loss on trade receivables	11	31,714	(431,169)	63,160	(407,136)
Operating profit		102,023,321	84,193,893	97,328,552	84,072,223
Finance income	12.1	4,653,542	1,533,892	4,433,899	1,433,993
Finance costs	12.2	(25,982,252)	(15,983,084)	(25,400,864)	(13,969,013)
Net finance costs	12.2	(21,328,710)	(14,449,192)	(20,966,965)	(12,535,020)
Profit before minimum tax	14	80,694,611	69,744,701	76,361,587	71,537,203
Minimum tax expense	13.1	(1,912,805)	(1,433,556)	(1,912,805)	(1,263,252)
Profit before tax		78,781,806	68,311,145	74,448,782	70,273,951
Income tax expense	13.2	(27,640,736)	(14,663,689)	(26,392,345)	(15,241,491)
Profit for the year		51,141,070	53,647,456	48,056,437	55,032,460
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit:					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	30.3	5,268	2,385	5,268	2,385
Related tax	13.3	(1,580)	(716)	(1,580)	(716)
		3,688	1,669	3,688	1,669
Other comprehensive Income, net of tax		3,688	1,669	3,688	1,669
Total comprehensive income		51,144,758	53,649,125	48,060,124	55,034,129
Profit attributable to :					
- Owners		51,141,070	53,647,456	48,056,437	55,032,460
		51,141,070	53,647,456	48,056,437	55,032,460
Total comprehensive income for the year is attributable to:					
- Owners		51,144,758	53,649,125	48,060,124	55,034,129
		51,144,758	53,649,125	48,060,124	55,034,129
Earnings per share attributable to the ordinary equity holders of the Company:					
Basic earnings per share (Kobo)	25	317	333	298	342
Diluted earnings per share (Kobo)	25	317	333	298	342

The accompanying notes form an integral part of these consolidated and separate financial statements.

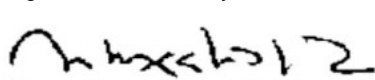
Lafarge Africa Plc

Consolidated and Separate Statements of Financial Position as at 31 December 2023

	Notes	Group		Company	
		31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	360,219,496	339,727,319	295,361,723	276,696,636
Intangible assets	16	1,743,322	1,822,364	42,733	91,181
Investments in subsidiaries	17.1	-	-	63,906,867	63,906,867
Other assets	19	80,349,982	60,851,702	73,855,897	57,167,949
Deferred tax assets	13.7	-	2,031,419	-	2,031,419
Total non-current assets		442,312,800	404,432,803	433,167,220	399,894,052
Current assets					
Inventories	20	54,340,615	53,043,073	41,380,869	41,896,205
Trade and other receivables	21	7,869,839	6,353,825	49,229,247	43,149,848
Other assets	19	8,222,664	18,462,277	7,508,475	17,326,786
Other financial assets	18	256,050	21,000	248,356	14,335
Cash and cash equivalents	22	168,369,604	118,398,495	158,246,383	106,901,117
Total current assets		239,058,772	196,278,670	256,613,330	209,288,291
Total assets		681,371,572	600,711,473	689,780,550	609,182,344
LIABILITIES					
Non-current liabilities					
Loans and borrowings	27	1,253,406	1,530,387	1,042,554	529,850
Employee benefit obligations	30.1	2,194,303	2,410,849	1,941,498	2,042,726
Deferred income	29	872,966	1,094,611	867,313	1,012,843
Provisions	28.1	2,859,365	2,718,463	1,492,476	1,389,034
Deferred tax liabilities	13.7	30,176,337	8,472,328	21,656,781	-
Total non-current liabilities		37,356,377	16,226,638	27,000,622	4,974,453
Current liabilities					
Loans and borrowings	27	24,991,106	35,062,463	23,656,807	33,255,574
Deferred income	29	162,110	261,924	113,829	110,732
Trade and other payables	31	100,955,004	80,797,500	113,198,553	90,874,972
Contract liabilities	32	74,982,644	46,019,970	68,958,839	40,410,912
Provisions	28.2	2,212,705	2,353,466	1,895,936	2,108,367
Current tax liabilities	13.5	5,659,760	3,887,507	4,835,627	3,171,530
Total current liabilities		208,963,329	168,382,830	212,659,591	169,932,087
Total liabilities		246,319,706	184,609,468	239,660,213	174,906,540
EQUITY					
Share capital	23	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	24	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings		245,978,292	227,028,432	200,595,685	184,751,152
Other reserves arising on business combination and re-organisations	26	(254,129,057)	(254,129,057)	(193,677,979)	(193,677,979)
Capital and reserves attributable to owners		435,051,865	416,102,005	450,120,336	434,275,803
Total equity		435,051,865	416,102,005	450,120,336	434,275,803
Total equity and liabilities		681,371,571	600,711,473	689,780,549	609,182,343

The accompanying notes form an integral part of these consolidated and separate financial statements.

These financial statements were approved and authorised for issue by the board of directors on 28th February 2024 and were signed on its behalf by:



Adebode Adefioye
Chairman
FRC/2017/IODN/00000016512



Lolù Alade-Akinyemi
Group Managing Director/CCEO
FRC/2020/001/00000020157



Chinedu Richard
Acting Chief Financial Officer
FRC/2023/PRO/ANAN/001/29459

Lafarge Africa Plc

Consolidated and Separate Statement of Changes in Equity for the year ended

Group	Attributable to equity holders of the parent					
	Notes	Share capital N'000	Share premium N'000	Retained earnings N'000	Other reserves arising on business combination and re-organisations N'000	Total equity N'000
Balance at 1 January 2022		8,053,899	435,148,731	189,487,103	(254,129,057)	378,560,676
Profit for the year		-	-	53,647,456	-	53,647,456
Other comprehensive income (Net of tax)		-	-	1,669	-	1,669
Total comprehensive income		-	-	53,649,125	-	53,649,125
Transactions with owners:						
Dividends declared	31.3	-	-	(16,107,796)	-	(16,107,796)
Total transaction with owners		-	-	(16,107,796)	-	(16,107,796)
Balance at 31 December 2022		8,053,899	435,148,731	227,028,432	(254,129,057)	416,102,005
Balance at 1 January 2023		8,053,899	435,148,731	227,028,432	(254,129,057)	416,102,005
Profit for the year		-	-	51,141,070	-	51,141,070
Other comprehensive income (Net of tax)		-	-	3,688	-	3,688
Total comprehensive income		-	-	51,144,758	-	51,144,758
Profit arising from business combination				20,693		20,693
Transaction with owners:						
Dividends declared	31.3	-	-	(32,215,591)	-	(32,215,592)
Total transaction with owners		-	-	(32,215,591)	-	(32,215,592)
Balance at 31 December 2023		8,053,899	435,148,731	245,978,292	(254,129,057)	435,051,865

The accompanying notes form an integral part of these consolidated and separate financial statements.

The profit resulting from the business combination is attributable to the retained earnings Wapsila

Lafarge Africa Plc

Separate Statement of Changes in Equity for the year ended 31 December 2023

Company

		Share capital	Share premium	Retained earnings	Other reserves arising on business combination and re-organisations	Total equity
	Notes	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2022		8,053,899	435,148,731	145,824,819	(193,677,979)	395,349,470
Profit for the year		-	-	55,032,460	-	55,032,460
Other comprehensive income (Net of tax)		-	-	1,669	-	1,669
Total comprehensive income		-	-	55,034,129	-	55,034,129
Transaction with owners:						
Dividends declared	31.3	-	-	(16,107,796)	-	(16,107,796)
Total transaction with owners		-	-	(16,107,796)	-	(16,107,796)
Balance at 31 December 2022		8,053,899	435,148,731	184,751,152	(193,677,979)	434,275,803
Balance at 1 January 2023		8,053,899	435,148,731	184,751,152	(193,677,979)	434,275,803
Profit for the year		-	-	48,056,437	-	48,056,437
Other comprehensive income (Net of tax)		-	-	3,688	-	3,688
Total comprehensive income		-	-	48,060,124	-	48,060,124
Transaction with owners:						
Dividends declared	31.3	-	-	(32,215,591)	-	(32,215,591)
Total transaction with owners		-	-	(32,215,591)	-	(32,215,591)
Balance at 31 December 2023		8,053,899	435,148,731	200,595,685	(193,677,979)	450,120,336

The accompanying notes form an integral part of these consolidated and separate financial statements.

Lafarge Africa Plc

Consolidated and Separate Statements of Cash Flows for the year ended 31 December 2023

	Notes	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Profit after tax		51,141,070	53,647,456	48,056,437	55,032,460
Adjustments to reconcile Profit for the year to net cash flows:					
Depreciation	15.6	27,214,964	24,784,252	24,245,226	21,924,220
Amortization of intangible assets	16	79,042	622,564	48,448	487,141
Other non-cash items	33.3	(785,788)	520,027	(440,035)	379,564
Net unrealized foreign exchange loss	12.2	14,910,875	6,333,440	15,610,806	5,883,675
Finance costs	12.2	4,937,744	2,854,507	4,498,441	2,309,766
Finance income	12.1	(4,653,542)	(1,533,892)	(4,433,899)	(1,433,993)
Income tax expense	13.2	27,640,736	14,663,689	26,392,345	15,241,491
Minimum tax expense	13.1	1,912,805	1,433,556	1,912,805	1,263,252
Provisions and net movement on employee benefits	33.1.6	(685,928)	(591,033)	(596,634)	(473,991)
Change in net working capital	33.1	32,987,833	1,398,885	34,795,117	(7,021,382)
Cash flows generated from operations		154,699,811	104,133,451	150,089,057	93,592,203
Income taxes paid	13.6	(3,802,646)	(3,418,812)	(3,077,583)	(2,283,314)
Net cash flows generated from operating activities		150,897,165	100,714,639	147,011,474	91,308,889
Cash flows from investing activities					
Acquisition of property, plant and equipment	15.1	(41,488,938)	(23,253,811)	(37,113,906)	(21,070,812)
Interest received	12.3	4,653,535	1,486,857	4,433,892	1,386,958
Proceeds from disposal of property, plant and	33.2	-	68,869	-	68,868
Net cash flows used in investing activities		(36,835,403)	(21,698,085)	(32,680,014)	(19,614,986)
Cash flows from financing activities					
Interest paid	12.4	(4,736,436)	(2,165,640)	(4,244,733)	(1,829,869)
Dividend paid to equity holders of the company	31.4	(47,288,742)	(14,535,057)	(47,288,742)	(14,535,057)
Proceeds from loans and borrowings	27.4	25,095,999	27,125,828	24,657,174	25,517,934
Repayment of lease liabilities	27.4	(1,721,097)	(3,275,995)	(1,721,097)	(3,275,995)
Repayment of loans and borrowings	27.4	(36,962,555)	(18,700,161)	(35,221,531)	(16,669,658)
Net cash used in financing activities		(65,612,831)	(11,551,025)	(63,818,929)	(10,792,645)
Net increase in cash and cash equivalents		48,448,930	67,465,530	50,512,531	60,901,258
Cash and cash equivalents at the beginning of the year		116,761,553	48,625,884	105,264,175	43,696,638
Effects of exchange rate changes on cash and cash equivalents held		633,850	670,140	633,850	666,279
Cash and cash equivalents at the end of the year	22.2	165,844,332	116,761,554	156,410,556	105,264,175

The accompanying notes form an integral part of these consolidated and separate financial statements.

1 Reporting Entity

Lafarge Africa PLC (Lafarge Africa) was incorporated in Nigeria on 26 February, 1959 and commenced business on 10 January 1961. The Company, formerly known as Lafarge Cement WAPCO Nigeria PLC changed its name after a special resolution was passed by the shareholders at an Annual General Meeting held on Wednesday 9 July 2014. The change of name became effective with the acquisition of shares in Lafarge South Africa Holdings (Proprietary) Limited (LSAH), United Cement Company of Nigeria Limited (UNICEM), AshakaCem PLC (AshakaCem) and Atlas Cement Company Limited (Atlas). The Company's corporate head office is situated at 27B Gerrard Road, Ikoyi, Lagos which is the same as the registered office.

Lafarge Africa is in the business of manufacturing and marketing of cement and other cementitious products such as Ready-Mix Concrete, Aggregates, Fly-Ash etc. On July 15, 2016, Lafarge S.A. France and Holcim Limited, Switzerland, two large global players, merged to form LafargeHolcim Group based in Zurich, Switzerland. Consequently Lafarge Africa is now a subsidiary company of LafargeHolcim (now Holcim Group, by virtue of a name change Resolution passed by the shareholders at an Annual General Meeting held on 4 May 2021).

The term 'Group' as used in this report refers to Lafarge Africa, its subsidiaries and investment in a joint venture. Lafarge Africa Group comprises of Lafarge Africa Plc and its subsidiaries below:

AshakaCem Limited was incorporated in Nigeria on 7 August 1974 as a private limited liability company and was converted to a public limited liability company in July 1990. In April 2017, the shareholders of AshakaCem, at an Extraordinary General Meeting (EGM), passed a resolution to delist the company from the official list of the Nigerian Stock Exchange (NSE). Subsequent to the delisting of the company, the shareholders of AshakaCem, held a Court-ordered EGM on 23, October 2017, at which a Scheme to re-organize the issued share capital of the company was passed. The resolution passed at the court ordered meeting was subsequently filed and sanctioned by the Federal High Court and the sanction officially gazetted. At the conclusion of the scheme, Lafarge Africa became 100% owner of the issued share capital of AshakaCem. AshakaCem's main business is the manufacturing and marketing of cementitious materials. AshakaCem has a production capacity of 1.0mtpa.

Wapsila Nigeria Limited was incorporated in Nigeria on 1 December 2014 as a wholly owned subsidiary of Lafarge Africa Plc. Its main business is the generation and sale of power. The Company commence operations in 2023.

In November 2019, through a shareholder meeting ordered by the Federal High Court and the resolutions sanctioned by it, Lafarge Readymix Nig Ltd. was merged into Lafarge Africa effectively from 30th November, 2019. The Court Sanction was registered with the CAC(Corporate Affairs Commission) and published in the official Gazette of the Federal Government of Nigeria.

On 20, January 2021, the Board of Directors of Lafarge Africa Plc approved the disposal of the Company's investment in Continental Blue Investment Ghana Ltd (CBI) a company involved in development, financing and operation of a cement grinding plant in Ghana via, a sale of the total equity interest held by the Company in CBI to a third party, F. Scott AG. The sale was concluded on June 30, 2021.

The Group's subsidiaries are as stated below;

31 December 2023	31 December 2022
AshakaCem Limited	AshakaCem Limited
Wapsila Nigeria Limited	Wapsila Nigeria Limited

2.1 (a) Basis of accounting

i) Compliance with IFRS

These consolidated and separate financial statements of Lafarge Africa Plc have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2023. The consolidated and separate financial statements were authorised for issue by the Group and Company's Board of Directors on 28 February 2024. Details of the Group and Company's accounting policies, including changes thereto are included in Note 2.2.2.

ii) Basis of measurement

The consolidated and separate financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- non-derivative financial instruments – initially at fair value and subsequently at amortized cost using effective interest rate
- derivative financial instruments – measured at fair value
- long term employee benefit obligation (gratuity and long service awards)- present value of the obligation
- inventory - lower of cost and net realisable value
- lease liabilities- measured at present value of future lease payments
- Provisions - Present value of the obligation

2.1 (b) Functional and presentation currency

The financial information is presented in Naira, which is the Company's functional currency, and all values are rounded to the nearest thousand (₦'000), except where otherwise indicated. The accounting policies are applicable to both the Company and Group.

2.2 Use of judgements and accounting estimates

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group/Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is disclosed in Note 3.1

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is disclosed in Note 3.2.

Measurement of Fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses.

the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values in Note 2.3.11 – Financial Instrument

2.2.1 Going concern

These consolidated and separate financial statements have been prepared on a going concern basis. Management believes that the going concern assumption is appropriate.

2.2.2 Changes in accounting policies and disclosures

i) New and amended standards and interpretations adopted by the Group

Below are the standards, amendments and interpretation which are effective 1 January 2023 together with the assessment of their impact on the Group's consolidated financial statements.

1 IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's consolidated financial statements.

2 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

5 International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

ii) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

A. Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

B. Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

C. Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

D. Amendments to IAS 21 - Lack of Exchangeability

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

On 15 August 2023, the International Accounting Standards Board (the IASB or Board) issued Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) (the amendments).

IAS 21 sets out the requirements for determining the exchange rate to be used for recording a foreign currency transaction into the functional currency and translating a foreign operation into a different currency. If a currency lacks exchangeability, it can be difficult to determine an appropriate exchange rate to use. While relatively uncommon, a lack of exchangeability might arise when a government imposes foreign exchange controls that prohibit the exchange of a currency or that limit the volume of foreign currency transactions.

2.3 Material Accounting Policy Information

The note provides a list of the material accounting policies adopted in the preparation of these consolidated and separate financial statements to the extent they have not already been disclosed in other notes. These policies have been consistently applied to all the years presented unless otherwise stated.

2.3.1 Principles of consolidation and equity accounting

The financial statements of the consolidated subsidiaries were used to prepare the consolidated financial statements as at the parent company's reporting date.

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii) Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Common control business combination and re-organization:

Business combination in which all of the entities or businesses are ultimately controlled by the Group both before and after the combination and that control is not transitory are recognised as common control transaction. The Group uses the acquisition method to account for business combinations involving entities ultimately controlled by Holcim group. A business combination is a "common control combination" if:

- The combining entities are ultimately controlled by the same party both before and after the combination, and
- Common control is not transitory

iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Interest in equity-accounted investees

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Interests in the joint ventures are derecognised when the Group loses joint control over the joint venture. Any resulting gain or loss is recognised in profit or loss.

vi) Impairment assessment of investments in subsidiary

Interests in the equity of subsidiaries not attributable to the parent are reported in equity as non-controlling interest. Profits or losses attributable to non-controlling interests are reported as profit or loss attributable to non-controlling interests.

In the separate financial statements of Lafarge Africa Plc (the Company) investments in subsidiaries are recognised at cost and dividend income is recognised in other income in the statement of profit or loss.

The Group assesses at the end of each reporting period whether there is objective evidence that an investment is impaired. An investment is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment and has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

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 reversal of the previously recognised impairment loss is

vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3.2 Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

The Group recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A performance obligation is satisfied at a point in time (typically for promises to transfer goods to a customer).

The Group determine the transaction price as the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties (e.g. VAT) or discounts and rebate given.

2.3.3 Investment income

Investment income arising on dividends from subsidiaries and un-listed investments are usually classified as part of other income. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.3.4 Finance income and finance costs

The Group's finance income and finance costs include: - interest income - interest expense - the foreign currency gain or loss on financial assets and financial liabilities. For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss. Foreign exchange gains and losses on transactions are presented in net finance income or finance expense.

Finance expense is recognised in profit or loss and would normally include; bank charges, interest expense calculated using the effective interest rate method, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and the unwinding of the effect of discounting provisions.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.3.5 Government grants

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The unwinding of the discount is recognised each year as a finance cost in the profit or loss.

The Group's government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

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

2.3.6 Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income in which case the related tax is recognised in other comprehensive income.

The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Income tax (Contd.)

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Group during the Year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

b) Minimum tax

The Group and Company are subject to the Company Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of the gross turnover of the Group and Company). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

c) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
 - temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
 - taxable temporary differences arising on the initial recognition of goodwill.
- profit or loss, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Income tax (Contd.)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met if, and only if:

- a. The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either;
 - i. the same taxable entity; or
 - ii. Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.7 Leases

A) Definition of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

B) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected to separate non-lease components from lease component and account for the non-lease components in operating profit on a cost incurred basis.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

B) As a lessee (contd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources

Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 January 2021, where the basis for determining future lease payments changed as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

In the cash flow statement, the portion of the lease payments reflecting the repayment of the lease liability and interest portion is presented within financing activities.

Short-term leases and leases of low-

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGUs.

An impairment loss is recognised if the carrying amount of an asset or CGUs exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3.9 Cash and cash equivalents

Cash and cash equivalents as shown in the statement of financial position comprise cash in hand, bank balances, deposit held at call with banks and time deposits which are readily convertible to cash with original maturities of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group and Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

2.3.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of raw materials, other supplies (consumables) and purchased finished goods is the actual cost less amount written down to net realizable value while the value of spare parts is the weighted average cost less amount written down to net realizable value.

In the case of manufactured inventories and work in progress, these are valued based on actual cost of goods produced, including depreciation, and certain distribution costs (i.e. freight for transportation to terminals and warehouses and bagging costs). However, for convenience, standard cost can be used during the year (and only during the year) for the valuation of own products (work in progress and finished products) under the condition that the standard cost closely approximates actual cost.

Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

An obsolescence allowance is provided for slow moving and obsolete inventory items.

2.3.11 Financial instruments

2.3.11.1 Financial assets

Non-Derivative financial assets:

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.3.11 Financial instruments (contd)

2.3.11.1 Financial assets (Contd)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business Model - Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

2.3.11.1 Financial assets (Contd)**Financial assets - Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.3.11.2 Financial liabilities**Non-Derivative financial liabilities:**i) *Classification*

Financial liabilities are classified as financial liabilities at amortised cost. The Group has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

a) *Financial liabilities at amortised cost*

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short term nature while borrowings are split into current and non current liabilities. Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

2.3.11.2 Financial liabilities (Contd)

ii) *Recognition & measurement*

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Derecognition

Financial liabilities are derecognised when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

2.3.11.3 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3.11.4 Impairment of financial assets

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to the 12 month ECLs.

The ECLs for trade and other receivables are estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group has identified the change in annual gross domestic product (GDP) to be the most relevant factors and accordingly adjusts the historical loss rates if a significant change in GDP is expected within the next 12 months.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.3.12 Property, plant and equipment**Recognition and measurement**

Items of property, plant, and equipment are recognised as assets when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The Group require minimum levels of inventory to be able to operate the plant, such inventories were capitalised in line with recognition criteria in IAS 16.16(b) as costs that are necessary to bring the assets to its working condition.

Subsequent expenditure

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 Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation:

Spares expected to be in use for more than one year with material values as determined by the Directors are capitalised and depreciated over a period of 3-10 years.

Construction work in progress (Construction expenditure) is not depreciated, it is carried at cost less any recognised impairment losses. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the company accounting policies. All such assets, once available for use are capitalised within the appropriate class of property, plant and equipment and subjected to the applicable depreciation rate in the year they are used.

Freehold or leasehold land with indefinite extension is not depreciated by the Group. Depreciation of property, plant and equipment is calculated using the straight-line method to write down the cost to the residual values over the estimated useful lives, as follows:

	Useful life
Leasehold land	Depreciated over the lease term (years)
Buildings	20-35
Production plant	20-30
Capitalised spares	3-10
Furniture	3-10
Motor vehicles	3-10
Computer equipment	4-10
Ancillary plant & machinery	10-20

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting date.

Impairment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.3.13 Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

2.3.14 Intangible assets

Initial recognition and measurement

In accordance with criteria set in IAS 38, intangible assets are recognised only if:

- they are identifiable,
- they are controlled by the entity because of past events, and
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Subsequent recognition

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortisation methods and periods

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Software

Intangible assets primarily include software costs and are amortized using the straight-line method over their estimated useful life of 3years which is based on management estimation. This expense is recorded in administrative expenses based on the function of the underlying assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Mining rights

Mining rights acquired as a form of lease are capitalized at its cost less any accumulated amortization and any accumulated impairment losses. These Mining rights are depleted based on volume extracted and not on a useful life basis. Amortization of these operating intangible assets are classified as amortization of Intangible Assets cost.

2.3.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

The amount of provision is at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

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.

2.3.15.1 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group and company, or a present obligation that arise from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.3.15.2 Site restoration provisions

In accordance with the Group's policy and general commitment to respect the environment, the Group has a constructive obligation to restore all quarry sites. The provision for such site restoration is recorded in Statement of financial position and charged to finance cost on commencement of mining activities. This provision is recorded over the operating life of the quarry on the basis of production levels and depletion rates. The estimated future costs for known restoration requirements are determined on a site-by-site basis.

Site restoration costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are included in profit or loss.

2.3.16 Exploration and evaluation assets

(a) Pre-licence costs

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

(b) Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource

Exploration and evaluation activity includes:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the Group concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

2.3.17 Employee benefits

a) Short-term employee benefits

This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. These benefits are expensed in the period in which the associated services are rendered by employees of the Group. A liability is recognised for the amount that is expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group ensures that each employee is paid his/her annual leave entitlement at the end of each reporting period.

b) Other long-term employee benefits (Long service award)

The group provides employees with two (2) Long Service Award Benefits. The benefits are gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss.

Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

c) Post-employment benefit obligations

i) Defined contribution scheme

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. For Nigerian entities, the employee contributes 8% while the Group contributes 10% of the emoluments (basic, housing and transport allowance). The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. The contributions are recognised as employee benefit expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii) Defined benefit plans

The Group discontinued the gratuity scheme for all qualifying staff on 31 December 2015. Prior to this time, the Group operates defined benefit plans for certain qualifying employees. The scheme includes retirement gratuity benefits. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The balance in the statement of financial position represents the remaining liability due to existing qualifying staffs that are still with the Group until the reporting period. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings.

Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.3.18 Share capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12

2.3.19 Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remain unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of the Companies and Allied Matters Act (CAMA), 2020, are included in the profits that should be distributed to the other shareholders of the Company.

2.3.20 Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.3.21 Prepayment for gas

The Company has a gas supply contract which requires that on a monthly basis, an agreed sum, known as the base amount, is paid by the Company for the supply of a specified quantity of gas in future, regardless of the Company's ability to utilise the gas. Any excess of the base amount over the value of actual gas utilised is recognised as prepaid gas assets, which is included in other assets in the financial statements.

Prepaid gas are capitalised when it is determined that the company will be able to utilise such amounts in the future. As the prepaid gas assets are utilised, they are expensed and recorded in the income statement in the period in which they are utilised.

2.3.22 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated for the purpose of preparing the statement.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts but excluding any form of restricted cash which is not readily available for business operations.

The cash flows from investing and financing activities are determined by using the direct method.

2.3.23 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit or loss of equity accounted investees and income taxes.

2.3.24 Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see (P)(v)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.3.25 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3 Accounting estimates and judgements

The preparation of financial statements requires management to make certain judgements, accounting estimates and assumptions that affect the amounts reported for the assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of the estimation means that actual outcomes could differ from those estimates. The key source of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below.

3.1 Judgements

i) Leases

The Judgement on whether the Group is reasonably certain to exercise extension options is disclosed in Note 2.3.7.

ii) Third party claim and litigation

The Group has applied judgement in determining an outflow of resources regarding third party claim and litigation. A litigation provision is recognized if, and only if:

The Group has a present obligation (legal or constructive) to another party as a result of a past event

It is probable (i.e. likelihood greater than 50%) that an outflow of resources to settle the obligation will be required and a reliable estimate can be made of the amount of the obligation. The likelihood of the third party claim and litigation was based on solicitor's assessment. See further details in Note 35.

iii) Deferred tax assets

The Group also applied judgement in determining the recognition of deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The future taxable profit assessment is based on historical trend analysis and financial performance forecast. See further details in Note 13.7

iv) Inventories

The Group and Company have significant volume of 'off-spec' clinker arising from power fluctuations and other factors in the production process. The off-spec clinker has accumulated across all plants and continue to suffer across all plants and continue to suffer deterioration due to weather impact and low consumption.

Judgment is applied in determining the amount of write down by assessing the reasonableness of the pattern of production and consumption of off-spec clinker in the determination of its obsolescence allowance. See Note 20 for further details.

3.2 Assumptions

3.2.1 Site restoration provisions

Where the Group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the site. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the site,. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities. See further details in Note 29.1.

3.2.2 Trade receivables

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in profit or loss, the Group makes significant assumptions in line with the expected credit loss model of IFRS 9 in determining the weighted average loss rate. See further details in Note 21.3.

3.2.3 Staff gratuities and Long Service awards

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions.

All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bond in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The rates of mortality assumed for employees are the rates published in 67/70 ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK. Further information is provided in Note 31.

3.2.4 Impairment of Property, Plant and Equipment

The Group assesses its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date.

The assessment for impairment entailed comparing the carrying value of the cash generating unit with its recoverable amount. The recoverable amount is based on the higher of fair value less costs of disposal and value in use of these assets. Value in use is determined on the basis of discounted estimated future net cash flows. During the year, the Group recognised impairment loss in respect of Sagamu Plant. The value in use for all impaired items during the period is estimated to be zero as the Group does not expect any positive net cash flows arising from use or abandonment. These assets cannot be sold or transferred. See further details in Notes 15.2.

3.2.5 Exploration and evaluation

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

3.2.6 Provisions and Contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especially relating to key assumptions about the likelihood and magnitude of an outflow of resources. See note 2.3.15.

3.2.7 Prepayment for Gas

The Company has a gas supply contract with a vendor. The contract requires that a base amount is paid (take-or-pay (TOP)) by the Company regardless of its gas utilisation. The excess of the base amount over the value of actual gas utilised is recognised in the financial statements as prepayment for gas. Based on the contract, any quantities of Gas forming part of the TOP quantity paid for by the Company and not utilised during a contract year shall be designated as Make-up Gas (MUG) and the Company shall be entitled to utilise the remaining balance of the accrued Make-up Gas in any subsequent period in the chronological order in which it is accrued during the contract period. See note 19.1.

The Company performs an assessment to determine whether the prepaid gas asset is recoverable within the contract period. This assessment contains elements based on judgments and assumptions that are impacted by future production volumes, forecasted growth rates and gas utilisation levels as well as the ability of the vendor to fulfill its obligations under the terms of the contract. There is a risk that actual outcomes may differ from expectations. Further details are included in Note 19.1 on Prepayment for Gas.

4 Financial risk management

The Group has exposure to credit, liquidity and market risk arising from financial instruments.

4.1 Financial risk management framework

The Corporate Investment and Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit and liquidity risk.

The Group seeks to minimise the effects of these risks by aligning to parent company's policies as approved.

Compliance with policies and established controls is reviewed by the internal auditors on a continuous basis.

The Corporate Investment and Treasury function reports monthly to the executive committee and periodically to the Risk and Ethics committee of the Board of Directors, for monitoring and implementation of mitigating policies.

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

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(a) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The credit limit is determined on an individual customer basis and as approved by the Credit Committee based on an assessment of each customer's credit worthiness. Bank guarantees are required from every customer that is granted credit.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group's 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.

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Impairment loss on trade receivables arising during the year	(31,714)	431,169	(63,160)	407,136
	(31,714)	431,169	(63,160)	407,136

The average credit period on sales of goods is 30 days. No interest is charged on trade receivable by the Group.

Before accepting a new customer with no historical information on their credit worthiness, the Group ensures that bank guarantees are in place in order to limit its credit risk exposure. The bank guarantees mitigates 90% of the credit risk exposure.

The financial assets of the Group and Company are stated below:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Trade receivables - Net (Note 21)	5,068,706	3,259,867	4,898,218	4,114,126
Other receivables (Note 21)	2,801,133	3,093,958	44,331,029	39,035,722
Other financial assets (Note 18)	256,050	21,000	248,356	14,335
Cash and cash equivalents (Note 22)	168,369,604	118,398,495	158,246,383	106,901,117
	176,495,493	124,773,320	207,723,986	150,065,300

Financial assets exclude prepayment, VAT receivable and withholding tax recoverable as these are non financial assets.

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Trade receivables:

Trade receivables are further broken down into:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Neither past due nor impaired				
0 - 30 days	2,963,984	1,759,720	2,971,752	2,882,794
Past due but not impaired				
The ageing of amounts past due but not impaired is as follows:				
31 - 60 days	1,334,713	960,439	1,277,272	914,282
61 - 90 days	456,352	145,714	339,987	117,357
91-120 days	246,980	135,077	242,218	106,720
121-150 days	19,154	162,872	66,988	53,626
above 150 days	47,523	96,045	-	39,347
	<u>2,104,722</u>	<u>1,500,147</u>	<u>1,926,465</u>	<u>1,231,332</u>
Impaired				
Credit impaired	679,949	711,665	613,407	676,568
Total amount exposed to credit risk (Gross)	<u>5,748,655</u>	<u>3,971,532</u>	<u>5,511,624</u>	<u>4,790,694</u>
Impairment allowance (Note 21.3)	(679,949)	(711,665)	(613,407)	(676,568)
Total amount exposed to credit risk (Net)	<u>5,068,706</u>	<u>3,259,867</u>	<u>4,898,217</u>	<u>4,114,126</u>

Management believes that the unimpaired amounts that are past due by less than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings as available.

The Management made assessment of the related party receivables and believes that the unimpaired amounts are still collectible in full based on the payment behaviour and extensive analysis of the related party credit risk and applicable credit ratings.

The expected ECL on cash at bank is assessed to be immaterial.

Impairment of trade receivables

An impairment analysis is performed at each reporting date and the calculation is based on actual incurred historical data adjusted for current conditions and future expectations. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Reconciliation of changes in the allowance for credit losses impairment account is disclosed in Note 21.3.

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Expected credit loss assessment for corporate customers as at 31 December 2023

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Expected Credit Loss Assessment

Group

As at 31 December 2023	Historical loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.11%	2,997,026	3,416	No
31-60	0.15%	1,307,018	1,931	No
61-90	0.72%	459,683	3,331	No
91-120	1.02%	249,513	2,534	No
121-150	60.66%	81,548	49,467	Yes
Over 150days	94.71%	653,869	619,273	Yes
		5,748,655	679,949	

As at 31 December 2022	Historical loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.05%	1,759,724	928	No
31-60	0.09%	960,439	886	No
61-90	3.43%	145,714	4,998	No
91-120	2.74%	198,136	5,437	No
121-150	6.00%	72,151	4,326	No
Over 150days	83.21%	835,369	695,090	Yes
		3,971,532	711,665	

Company

As at 31 December 2023	Weighted average loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.10%	2,974,731	2,979	No
31-60	0.15%	1,279,138	1,866	No
61-90	0.71%	342,417	2,430	No
91-120	1.01%	244,700	2,482	No
121-150	32.24%	77,996	25,148	No
Over 150days	97.61%	592,643	578,503	Yes
		5,511,625	613,407	

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As at 31 December 2022	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
		N'000	N'000	
0-30	0.03%	2,882,796	928	No
31-60	0.10%	914,282	886	No
61-90	4.26%	117,356	4,998	No
91-120	0.06%	127,843	75	No
120-180	17.10%	33,196	5,675	No
Over 180days	92.84%	715,220	664,006	Yes
		4,790,693	676,568	

The Group holds bank guarantees to cover its credit risks associated with its financial assets.

(c) Credit quality of bank balances

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Group mitigates its credit risk of its bank balance and derivative financial assets by selecting and transacting with reputable banks with good credit ratings and a history of strong financial performance.

Bank ratings are based on Fitch national long term rating (2023). The credit ratings of the banks with the bank balances are shown below.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cash at bank				
AAA	60,382,360	29,349,132	54,259,103	24,470,002
AA+	1,973,377	5,730,692	1,591,669	5,578,812
AA-	4,723,348	6,671,322	5,219,634	6,581,734
A+	54,499,412	15,891,758	53,008,213	15,038,783
A	42,586,605	56,191,728	41,477,285	52,290,216
BBB	1,640,807	1,612,364	829,239	605,743
B-	38,423	1,313,130	25,414	698,884
	165,844,332	116,760,126	156,410,557	105,264,174
Restricted cash at bank (note 22.1)	2,525,272	1,636,942	1,835,826	1,636,942
Total cash and cash equivalents	168,369,604	118,397,068	158,246,383	106,901,116

'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

'BBB' ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

'BB' ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met.

'B' ratings indicate that material credit risk is present but a limited margin of safety remains. Financial commitments are

Impairment on cash and cash equivalent has been measured on a 12- month expected loss basis and reflects the short maturities of the exposure.

The Group uses a similar approach for assessment of ECL for cash and cash equivalent to those used for debt securities.

The impairment loss was immaterial and hence not recognised (2022: nil) at year end.

4.1.2 Liquidity risk

(a) Management of liquidity risk

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

The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group maintains the following lines of credit:

- N25.9 billion overdraft facilities that is unsecured. Interest payable ranges from 13% - 20.5%.

- N273.04 billion revolving credit facilities that is unsecured and can be drawn to meet short-term financing needs. Interest payable ranges from 0.5% - 20.5%.

(b) Maturities of financial liabilities

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 Group's short, medium and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group maintains the following lines of credit:

- N19.5 billion overdraft facilities that is unsecured. Interest payable ranges from 11% - 15%.

- N49.5 billion revolving credit facilities that is unsecured and can be drawn to meet short-term financing needs. Interest payable ranges from 0.5% - 15%.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Group

	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
31 December 2023					
Non derivative financial instruments					
Interest-bearing loans and borrowings*	24,838,059	27,329,407	27,030,581	11,699	287,127
Lease liabilities	1,406,453	1,608,274	481,538	1,036,058	90,678
Trade and other payables**	94,900,011	94,900,011	94,900,011	-	-
	121,144,523	123,837,692	122,412,130	1,047,757	377,805
31 December 2022					
Non derivative financial instruments					
Interest-bearing loans and borrowings	36,592,850	37,094,112	35,225,306	1,460,080	408,726
Trade and other payables**	72,186,550	72,186,550	72,186,550	-	-
	108,779,400	109,280,662	107,411,856	1,460,080	408,726

* Interest-bearing loan and borrowings exclude related party loan

** Trade and other payables exclude VAT payable, advance rent received, customer deposits and withholding tax payable as these are non financial instruments.

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Company	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
31 December 2023					
Non derivative financial instruments					
Interest-bearing loans and borrowings*	23,301,944	24,651,222	24,364,095	-	287,127
Lease liabilities	1,397,417	1,599,238	674,323	834,237	90,678
Trade and other payables**	107,261,684	107,261,684	107,261,684	-	-
	131,961,045	133,512,144	132,300,102	834,237	377,805
31 December 2022					
Non derivative financial instruments					
Interest-bearing loans and borrowings	32,786,221	33,165,929	32,338,149	419,054	408,726
Trade and other payables**	82,821,034	82,821,034	82,821,034	-	-
	115,607,255	115,986,963	115,159,183	419,054	408,726

The amounts disclosed in the tables above are the contractual undiscounted cash flows of the liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

** Trade and other payables exclude VAT payable, advance rent received, customer deposits and withholding tax payable as these are non financial instruments.

4.1.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to interest rate risk and foreign exchange rate risk.

(I) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

Exposure to interest rate risk

The Group is not exposed to fair value interest rate risk because its fixed interest rate borrowings are not carried at fair value. Interest rate risk is managed by the Group by maintaining an appropriate mix between fixed and floating borrowings. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Fixed and Floating interest rate:

The financial liabilities with fixed interest rates are shown below;

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
<i>Naira denominated fixed rates</i>				
Power Fund (7%, 5%)	1,082,251	3,268,947	-	903,795
Lease liabilities (7.95% - 17.8%)	1,608,274	3,013,586	1,599,238	2,615,561
Short term bank loans (7% - 12.0% p.a)	23,553,987	17,004,788	21,889,006	16,141,855
Total	26,244,512	23,287,321	23,488,244	19,661,211

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(ii) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Group is exposed to risks resulting from fluctuations in foreign currency exchange rates. A change in the value of any such foreign currency could have an effect on the Group's cash flow and future profits. The Group is exposed to exchange rate risk as a result of cash balances denominated in a currency other than the Naira. The Group is mainly exposed to USD.

Foreign currency denominated balances

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	000	000	000	000
US Dollar				
Financial assets				
Cash and cash equivalents	7,222	6,505	7,126	6,409
Financial liabilities				
Borrowings	(14,572)	(30,802)	(14,099)	(28,881)
Trade and other payables	(13,266)	(10,275)	(8,976)	(5,813)
Net financial (liabilities)/asset	(20,616)	(34,572)	(15,949)	(28,285)
Euro				
Financial assets				
Cash and cash equivalents	(21)	22	(21)	22
Financial liabilities				
Borrowings	(2,577)	(10,255)	(1,949)	(9,864)
Trade and other payables	(4,696)	(13,381)	(4,369)	(12,307)
Net financial (liabilities)/asset	(7,294)	(23,614)	(6,339)	(22,149)
GBP				
Financial assets				
Cash and cash equivalents	5	2,517	5	2,517
Financial liabilities				
Borrowings	(506)	(2,395)	(381)	(2,125)
Trade and other payables	(295)	(263)	(123)	(150)
Net financial (liabilities)/asset	(795)	(141)	(499)	242

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CHF				
Financial liabilities				
Trade and other payables	(165)	577	(165)	609
	<u>(165)</u>	<u>577</u>	<u>(165)</u>	<u>609</u>
ZAR				
Financial assets				
Cash and cash equivalents	-	518	-	518
Trade receivable	-	530	-	530
Financial liabilities				
Borrowings	-	-	-	-
Trade and other payables	(378)	(431)	100	
Net financial (liabilities)/asset	<u>896</u>	<u>(431)</u>	<u>100</u>	<u>-</u>

Sensitivity analysis for foreign exchange risk

The following table details the Group's sensitivity to a 21%, increase and decrease in Naira against US dollar, Euro, Great Britain's Pound (GBP), Swiss Franc (CHF) and South Africa Rand (ZAR). Management believes that a 21% movement in either direction is reasonably possible at the 31 December 2023. A positive number indicates an increase in profit where Naira strengthens by 21% against the currencies. For a 21% weakening of Naira against the currencies there would be an equal and opposite impact on profit, and the balances below would be negative.

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

The sensitivity of the Group's earnings to fluctuations in USD, Euro, GBP, CHF and ZAR exchange rates is reflected by varying the exchange rates as shown below:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
US Dollar				
Increase in exchange rate by 21%	(3,774,478)	(3,137,836)	(2,919,949)	(2,616,531)
Decrease in exchange rate by 21%	3,774,478	3,137,836	2,919,949	2,616,531
Euro				
Increase in exchange rate by 21%	(1,444,389)	(2,780,452)	(1,255,221)	(2,705,028)
Decrease in exchange rate by 21%	1,444,389	2,780,452	1,255,221	2,705,028
GBP				
Increase in exchange rate by 21%	(181,076)	(160,252)	(113,733)	(155,611)
Decrease in exchange rate by 21%	181,076	160,252	113,733	155,611
CHF				
Increase in exchange rate by 21%	(365)	-	(365)	-
Decrease in exchange rate by 21%	365	-	365	-
ZAR				
Increase in exchange rate by 21%	8,894	(19,723)	995	(16,499)
Decrease in exchange rate by 21%	(8,894)	19,723	(995)	16,499

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4.2 Capital management

4.2.1 Risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings', as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position plus net debt.

The gearing ratios at 31 December 2023 and 31 December 2022 were as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Total borrowings	26,244,512	36,592,850	24,699,361	33,785,424
Less: Cash and cash equivalents excluding bank overdrafts	168,369,604	118,398,495	158,246,383	106,901,117
Net (cash)/ debt	(142,125,092)	(81,805,645)	(133,547,022)	(73,115,693)
Total equity	435,051,865	416,102,005	450,120,336	434,275,803
Total capital	292,926,773	334,296,360	316,573,314	361,160,110
Gearing ratio	(0.33)	(0.20)	(0.30)	(0.17)

4.3 Accounting classification and fair values

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

At the reporting date, the Directors believe that the book values of the financial assets and liabilities, except borrowings, are not materially different from the fair value.

Trade and other receivables, cash and cash equivalents and trade and other payables are the Group's short term financial instruments. Management believes that the impact of discounting will not be material and therefore their carrying values are reasonable approximations of their fair values, accordingly no further fair value disclosures have been made. The fair values were determined on the same basis in prior year and there have been no transfers between levels during the year.

4.3.1 Fair Value Hierarchy: Level 3 Unobservable Inputs

Unobservable inputs reflect the Group's market assumptions.

	Group			
	31 December 2023		31 December 2022	
	N'000	N'000	N'000	N'000
	Fair value	Carrying Value	Fair value	Carrying Value
Financial Assets				
<i>Financial Assets classified at amortised cost</i>				
Trade and other receivables	7,869,839	7,869,839	6,353,825	6,353,825
Financial assets	256,050	256,050	21,000	21,000
Cash and cash equivalents	168,369,604	168,369,604	118,398,495	118,398,495

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Financial Liabilities

Financial liabilities classified as amortised cost

Trade and other payables**	94,900,011	94,900,011	53,594,594	53,594,594
Borrowings	26,244,512	26,244,512	36,592,850	36,592,850

Company

	31 December 2023		31 December 2022	
	N'000	N'000	N'000	N'000
	Fair value	Carrying Value	Fair value	Carrying Value
Financial Assets				
Financial Assets classified at amortised cost				
Trade and other receivables	49,229,247	49,229,247	43,149,848	43,149,848
Financial assets	6,321,709	6,321,709	6,321,709	6,321,709
Cash and cash equivalents	158,246,383	158,246,383	106,901,117	106,901,117

Financial Liabilities

Financial liabilities classified at amortised cost

**Trade and other payables	107,261,684	107,261,684	66,467,386	66,467,386
Borrowings	24,699,361	24,699,361	33,785,424	33,785,424

** Trade and other payables exclude VAT payable, advance rent received, customer deposits and withholding tax payable as these are non financial instruments.

The financial assets and liabilities have their carrying amount approximating fair value.

4.4 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

5 Segment Reporting

The Board of Directors (BOD) are the chief operating decision makers who reviews the internal reporting to assess performance and allocate resources. The Directors have identified operating segments based on these internal reports. The BOD considers business from the range of product perspective.

The BOD assesses the performance of the operating segments based on a measure of total assets and liabilities, revenue, gross profit and other directly attributable expenses. These operating segments are:

Cement	Established for the business of cement production. This segment has three major business operations within Nigeria which are the South-West operations, the Southern Nigeria operations and the Northern Nigeria operations.
Readymix products	Established for the business of concrete. This segment has operations currently in Lagos, Abuja, Port-Harcourt, and Ewekoro and is expected to expand to other states of Nigeria in the near future.

The segments identified meet the recognition criteria as a reportable segment under IFRS 8.

The amounts provided to the Board of Directors with respect to total income and expense are measured in a manner consistent with that of the consolidated and separate financial statements. Assets are allocated based on the use of the segment and the physical location of the asset.

*Deferred tax assets and liabilities are not assessed for the purpose of segment reporting.

No single customer contributed revenue in excess of 10% of the total revenue of any segment

5.1 Segment Information by Product line

	External revenue		Elimination	Gross revenue	
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000	N'000
Cement	392,571,558	361,963,358	(4,913,556)	397,769,120	363,186,556
Readymix and other products	12,931,154	11,281,580	(284,006)	12,931,154	11,281,580
Total	405,502,712	373,244,938	(5,197,562)	410,700,274	374,468,136

Revenue from internal customers of N5.2 billion (2022:N2.1 billion) has been eliminated on consolidation.

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	31 Dec 2023		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Revenue	392,571,558	12,931,154	405,502,712
Production cost of sales	(192,079,382)	(6,707,507)	(198,786,889)
Other Income	810,891	80,813	891,704
Other expenses	(104,165,536)	(1,418,670)	(105,584,206)
Operating profit	97,137,531	4,885,790	102,023,321

	31 Dec 2022		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Revenue	361,963,358	11,281,580	373,244,938
Production cost of sales	(170,994,640)	(6,028,592)	(177,023,232)
Other Income	523,861	33,626	557,487
Other expenses	(111,508,835)	(1,076,465)	(112,585,300)
Operating profit	79,983,744	4,210,149	84,193,893

	31 Dec 2023		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Statement of financial position by segment:			
Property, plant & equipments	358,863,665	1,355,831	360,219,496
Other non current assets	82,093,304	-	82,093,304
Current assets	235,193,871	3,864,901	239,058,772
Total assets	676,150,840	5,220,732	681,371,572
Non current liabilities	(38,161,224)	804,847	(37,356,377)
Current liabilities	(205,608,609)	(3,354,720)	(208,963,329)
Net assets/(liabilities)	432,381,007	2,670,859	435,051,866

	31 Dec 2022		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Statement of financial position by segment:			
Property, plant & equipments	336,591,212	2,130,535	338,721,747
Other non current assets	50,473,816	1,067,750	51,541,566
Current assets	135,456,725	1,118,159	136,574,884
Total assets	522,521,753	4,316,444	526,838,198
Non current liabilities	(17,465,854)	241,422	(17,224,432)
Current liabilities	(132,881,182)	1,828,093	(131,053,089)
Net assets/(liabilities)	372,174,717	6,385,959	378,560,677

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	Group		Company		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
	N'000	N'000	N'000	N'000	
6 Revenue					
Sale of goods	405,502,712	373,244,938	372,513,521	340,633,999	
The following is an analysis of revenue by product:	Timing of revenue recognition				
Cement	Point in time	392,571,558	361,963,358	359,962,122	329,469,788
Aggregate and concrete	Point in time	12,251,106	10,937,235	12,251,106	10,937,235
Other products (Note 6.1)	Point in time	680,048	344,345	300,293	226,976
		405,502,712	373,244,938	372,513,521	340,633,999

6.1 Other products represent revenue earned from the sale of mortar and power generation.

6.2 The following table provides information about receivables and contract liabilities from contracts with customers.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Receivables, which are included in trade and other receivables (Note 21)	5,068,706	3,259,867	4,898,218	4,114,126
Contract liabilities (Note 33)	(74,982,644)	(46,019,970)	(68,958,839)	(40,410,912)

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
7 Cost of sales				
Variable costs (Note 7.1)	121,713,667	111,200,793	109,580,148	98,125,999
Production fixed costs (Note 7.2)	30,398,936	25,248,487	23,964,173	16,595,001
Maintenance fixed costs	20,662,291	16,965,031	19,263,953	15,588,734
Depreciation (Note 15.6)	25,963,547	23,593,929	23,169,961	21,057,297
Amortisation of intangible assets (Note 16.1)	48,448	14,992	48,448	14,992
	198,786,889	177,023,232	176,026,683	151,382,023

7.1 Variable costs

Fuel and power	75,663,313	62,208,056	64,643,281	51,798,916
Raw materials and consumables	46,050,354	48,992,737	44,936,867	46,327,083
	121,713,667	111,200,793	109,580,148	98,125,999

7.2 Production costs

Included in production costs are personnel expenses, by-products costs, inventory write-offs and electrical energy expenses.

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	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
8 Selling and distribution costs				
Distribution variable costs	66,946,629	75,902,340	62,761,663	70,497,897
Distribution fixed costs	5,418,029	8,703,363	4,719,943	8,052,794
Advertising expenses	1,661,349	1,713,779	1,661,349	1,713,779
Campaign and innovation expenses	9,758	3,328	9,758	3,328
Marketing staff salaries and other related costs	4,019,252	3,253,636	4,048,256	3,253,346
	78,055,017	89,576,446	73,200,969	83,521,144

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
9 Administrative expenses				
Salaries and other staff related costs	7,701,435	7,643,600	7,758,461	7,643,600
Directors' costs	92,722	98,296	92,722	98,296
AGM Costs	148,906	143,332	148,906	143,332
Audit fees	106,400	120,400	77,400	102,340
Community relations	129,323	270,694	129,323	270,694
Fuel	61,639	64,144	61,639	63,070
Insurance	314,185	262,342	314,185	262,342
Non-income taxes and levies (Note 9.1)	1,999,062	1,999,062	1,999,062	1,999,062
Other supplies and spare parts	134,072	227,143	134,072	227,143
Rent	247,181	91,085	247,181	91,085
Consultancy fees	715,048	665,545	715,048	662,030
Repair and maintenance	342,322	211,786	342,322	211,786
Security Cost	187,033	70,541	187,033	70,541
Training	368,501	344,746	364,989	344,746
Travel	1,075,974	594,531	1,075,099	594,515
Office and general expenses (Note 9.2)	5,448,664	2,269,788	5,422,041	2,378,110
Interest cost on employees long service award (Note 30.2)**	198,175	-	198,175	-
Depreciation (Note 15.6)	1,251,417	1,190,323	1,075,265	866,923
Amortisation of intangible assets (Note 16.1)	30,594	607,572	-	472,149
Technical service fees (Note 9.4)	7,008,250	5,702,755	6,316,740	5,106,463
	27,560,903	22,577,685	26,659,663	21,608,227

** Interest cost on employee long service award was reclassified from finance cost in prior year to administrative expense in 2023

9.1 Non-income taxes and levies

In 2020, the Company renewed an agreement with a Cross Rivers State Government to advance an amount not exceeding ₦2.8 billion annually as payments for all taxes, dues and levies payable in the state. The renewed agreement, which is for a three-year period which commenced in April 2020, effectively exempts the Company from all Cross River State and local government taxes, dues and levies during the agreed period. In line with the agreement, the Company made an advance payment of ₦2.8 billion, of which ₦2 billion relates to the current financial year. ₦0.8 billion advance payment brought forward in the year, has also been amortised in the income statement in current year. These amounts have been included in the consolidated and separate statements of profit or loss and other comprehensive income as Cost of sales ₦0.8 billion (under Note 8 - Distribution variable cost) and Administrative expenses ₦2 billion (Under Note 9 – Administrative expenses).

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9.2 Office and general expenses

Office and general expenses mainly relate to office expenses and stationary, legal cost, fees, subscriptions, other personnel costs, IT costs, canteen, cleaning, distribution and licenses.

9.3 Non-audit fees paid to Ernst and Young

The total amounts of non-audit fees paid to Ernst and Young is ₦20million in the year ended 31st December 2023. This is in respect of internal control on financial reporting rendered in the year ended 31 December 2023

9.4 Technical service fees

Technical fees are computed based on the ongoing technical service agreements. The provision for the technical service fees is computed as 5%of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for both Group and Company, subject to maximum of 2%of net sales. The total technical service fees for the year ended 31st December 2023 for the Group and Company amounted to ₦7.0 billion and ₦6.3 billion, respectively (2022: ₦5.7 billion and ₦5.1 billion).

During the year ended 31st December 2023, Lafarge Africa Plc completed the process of finalising a new technical service agreement with Holcim Technology Limited, a related party, which relates to Industrial Franchise. This agreement has been registered with the National Office for Technology Acquisition and Promotion (NOTAP) in Nigeria.

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
10 Other income				
Gain on disposal of property, plant and equipment (Note 10.1)	404,970	24,597	337,884	24,597
Government grants (Note 10.2)	321,459	326,473	142,433	110,732
Sale of scraps and other miscellaneous income (Note 10.3)	165,275	206,417	158,869	221,425
	891,704	557,487	639,186	356,754

10.1 Gain on disposal of property, plant and equipment

This represents gain on disposal of the Company's motor vehicles and machinery owned by the Company (Note 10).

10.2 Government grants

Government grants arise from below-market interest rate government loans (CBN/BOI Intervention Fund loan) obtained in July 2011 and in March 2018. There are no unfulfilled conditions or contingencies attached to these grants.

10.3 Sale of scraps and other miscellaneous income

This comprises of the total income earned on miscellaneous activities not related to cementitious products, including income from sale of scrap and product shortage recoveries (haulers).

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
11 Impairment loss on trade receivables				
Impairment loss on trade and other receivables	(31,714)	431,169	(63,160)	407,136
	(31,714)	431,169	(63,160)	407,136

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	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
12 Finance income and costs				
12.1 Interest income under the effective interest method and other finance income:				
Interest income on current accounts	4,653,535	1,486,857	4,433,892	1,386,958
Other finance income	7	47,035	7	47,035
Finance income per statement of cash flows	4,653,542	1,533,892	4,433,899	1,433,993
Finance income	4,653,542	1,533,892	4,433,899	1,433,993
12.2 Finance costs:				
Interest on borrowings (Note 27.4)	(562,397)	(766,862)	(540,951)	(512,033)
Unwinding of discount on provisions (Note 28.1)	(168,550)	(174,976)	-	(87,315)
Interest cost on employees long service award (Note 30.2)	-	(237,636)	-	(198,175)
Interest cost on staff gratuities (Note 30.3)	64,332	(35,543)	(31,572)	(35,543)
Bank charges & other interest cost	(4,271,129)	(1,639,490)	(3,925,918)	(1,476,700)
Finance costs per statement of cash flows	(4,937,744)	(2,854,507)	(4,498,441)	(2,309,766)
Foreign exchange loss realized	(6,133,633)	(6,795,137)	(5,291,617)	(5,775,572)
Foreign exchange loss unrealized	(14,910,875)	(6,333,440)	(15,610,806)	(5,883,675)
Foreign exchange loss (net)	(21,044,508)	(13,128,577)	(20,902,423)	(11,659,247)
Finance costs	(25,982,252)	(15,983,084)	(25,400,864)	(13,969,013)
Net finance cost recognised in the profit or loss	(21,328,710)	(14,449,192)	(20,966,965)	(12,535,020)

Bank charges represent letter of credit charges, over-the-counter (OTC) charges for non-deliverable futures and other bank account operational charges

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
12.3 Interest received per statement of cash flows				
Finance income per profit or loss	4,653,535	1,486,857	4,433,892	1,386,958
Interest received per statement of cash flows	4,653,535	1,486,857	4,433,892	1,386,958
12.4 Interest paid per statement of cash flows				
Finance costs per profit or loss (Note 12.2)	(25,982,252)	(15,983,084)	(25,400,864)	(13,969,013)
Interest payable/(receivable) /offset	97,090	240,712	222,136	158,864
Non-cash interest charged to profit or loss	104,218	448,155	31,572	321,033
Foreign exchange loss (net)	21,044,508	13,128,577	20,902,423	11,659,247
Interest paid per statement of cash flows	(4,736,436)	(2,165,640)	(4,244,733)	(1,829,869)
Breakdown as follows:				
Interest paid on leases (Note 27.4)	(304,999)	(314,080)	(304,999)	(314,080)
Interests paid on borrowings including bank charges	(4,431,437)	(1,851,560)	(3,939,734)	(1,515,789)
	(4,736,436)	(2,165,640)	(4,244,733)	(1,829,869)

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

13 Income tax expense

This note provides an analysis of the Group and Company's income tax expense. It shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made, if any, in relation to the Group and Company's tax position.

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
13.1 Minimum tax charge recognised in profit or loss	1,912,805	1,433,556	1,912,805	1,263,252
13.2 Income tax expense recognised in profit or loss				
	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Current taxation				
Company income tax (13.2.1)	1,054,843	-	-	-
Education tax	2,979,043	2,046,054	2,806,559	1,979,484
Police trust levy (13.2.2)	2,438	1,725	2,326	1,725
Capital gains tax	21,519	-	19,990	-
Total current tax expense	4,057,843	2,047,779	2,828,875	1,981,209
Deferred taxation				
Origination and reversal of temporary differences	23,582,893	12,615,910	23,563,470	13,260,282
	27,640,736	14,663,689	26,392,345	15,241,491
Tax expense	27,640,736	14,663,689	26,392,345	15,241,491

13.2.1 The Group's and Company's operating results for the year ended 31 December 2023, when adjusted for tax purposes, resulted in ₦1.02bn taxable income.

13.2.2 The Nigerian Police Trust Fund Act (the "Act") was signed into law by the President on 24 June 2019. The Act establishes a Fund, proceeds from which will be used to train police personnel and procure security machinery and equipment. The Act imposes a levy of 0.005% of the "net profit" of companies 'operating business' in Nigeria.

Lafarge Africa Plc has made a provision of ₦2.4m for the Company and Group in its income statement for the year ended December 31, 2023.

13.3 Income tax recognised in other comprehensive income

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Deferred tax arising on:				
Remeasurement of defined benefit obligation	(1,580)	(716)	(1,580)	(716)

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

13.4 Reconciliation of effective tax to statutory tax

The tax on the Company's profit before income tax differs from the amount that would arise using the statutory income tax rate, as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Profit before tax	80,694,611	69,744,701	76,361,587	71,537,203
Tax calculated at statutory tax rate of 30%	24,208,383	20,923,410	22,908,476	21,461,161
Impact of disallowable expenses	1,123,017	596,394	1,028,227	476,344
Impact of non taxable income	(281,555)	(669,504)	(255,577)	(442,838)
Changes in estimate relating to prior year	(412,109)	-	(119,257)	-
Education tax	2,979,043	2,046,054	2,806,484	1,979,484
Effect of pioneer status	-	(8,234,390)	-	(8,234,385)
Police trust levy	2,438	1,725	2,326	1,725
Capital gains tax	21,520	-	19,990	-
Income tax expense recognised in profit or loss	27,640,736	14,663,689	26,390,668	15,241,491
Effective tax rate	34%	21%	35%	21%

13.5 Current tax liabilities

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Balance at 1 January	3,887,507	3,824,984	3,171,530	2,210,383
Charge for the year:				
Company income tax	1,067,574	-	-	-
Education tax	2,979,043	2,046,054	2,806,559	1,979,484
Under provision during the year	(408,481)	-	-	-
Police trust levy	2,439	1,725	2,326	1,725
Capital gains tax	21,519	-	19,990	-
Minimum tax	1,912,805	1,433,556	1,912,805	1,263,252
	9,462,406	7,306,319	7,913,210	5,454,844
Payment during the year	(3,802,646)	(3,418,812)	(3,077,583)	(2,283,314)
At 31 December	5,659,760	3,887,507	4,835,627	3,171,530

13.6 In the statement of cash flows, Income taxes paid comprise:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Current income tax liabilities paid (Note 13.5)	(3,802,646)	(3,418,812)	(3,077,583)	(2,283,314)
Total current income taxes paid	(3,802,646)	(3,418,812)	(3,077,583)	(2,283,314)

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13.7 Deferred taxation

The analysis of deferred tax assets/(liabilities) is as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Deferred tax assets	-	2,031,419	-	2,031,419
Deferred tax liabilities	(30,176,337)	(8,472,328)	(21,656,781)	-
Deferred tax (liabilities)/ assets net	(30,176,337)	(6,440,909)	(21,656,781)	2,031,419

Group

Total deferred tax assets/(liabilities):	At 1 January 2023	Reclassification on		(Credit)/ charge to P/L	(Credit)/ charge to OCI	At 31 December 2023
	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(19,791,477)	-	(21,342,212)	-	-	(41,133,689)
Provisions and other liabilities	4,867,270	-	442,715	-	-	5,309,986
Employment benefit obligation	(153,505)	(150,955)	-	(1,580)	-	(306,040)
Unrealised exchange differences	8,636,803	-	(2,683,397)	-	-	5,953,406
Total deferred tax assets/(liabilities)	(6,440,909)	(150,955.00)	(23,582,893)	(1,580)	(1,580)	(30,176,337)

Deferred tax liabilities/(assets):

	At 1 January 2022	Reclassification on		(Credit)/ charge to P/L	(Credit)/ charge to OCI	At 31 December 2022
	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(1,559,140)	-	(18,232,337)	-	-	(19,791,477)
Provisions and other liabilities	4,114,293	-	752,977	-	-	4,867,270
Employment benefit obligation	(152,789)	-	-	(716)	-	(153,505)
Unrealised exchange differences	3,773,353	-	4,863,450	-	-	8,636,803
assets/(liabilities)	6,175,717	-	(12,615,910)	(716)	(716)	(6,440,909)

Company

Deferred tax assets:	At 1 January 2023	Reclassification on		(Credit)/ charge to P/L	(Credit)/ charge to OCI	At 31 December 2023
	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(9,936,028)	-	(21,802,164)	-	-	(31,738,192)
Provisions and other liabilities	3,819,394	-	373,724	-	-	4,193,118
Unrealised exchange differences	8,200,027	-	(2,135,030)	-	-	6,064,997
Post employment benefit obligation	(51,975)	-	-	(1,580)	-	(53,555)
Total deferred tax assets	2,031,419	-	(23,563,470)	(1,580)	(1,580)	(21,533,632)

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Deferred tax assets:	At 1 January 2022	(Credit)/	(Credit)/	At 31
	N'000	Reclassificati on	charge to P/L	December 2022
	N'000	N'000	charge to OCI	N'000
			N'000	
Property, plant and equipment	8,367,103	(18,303,131)	-	(9,936,028)
Unutilised tax losses	-	-	-	-
Provisions and other liabilities	3,247,489	571,905	-	3,819,394
Unrealised exchange differences	3,729,084	4,470,944	-	8,200,027
Post employment benefit obligation	(51,259)	-	(716)	(51,975)
Total deferred tax assets	15,292,417	-	(716)	2,031,419

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. There are no unrecognised deferred tax assets. The deferred tax asset and liabilities relate to different entities within the group.

14 Profit before minimum tax

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Profit before minimum tax is stated after charging/(crediting):	80,694,611	69,744,701	76,361,587	71,537,203
Depreciation of property, plant and equipment (Note 15)	27,214,964	24,784,252	24,245,226	21,924,220
Amortisation and impairment of intangible assets (Note 16)	79,042	622,564	48,448	487,141
Directors' emoluments (Note 37)	487,549	67,072	487,549	67,072
Audit fees (Note 9)	106,400	120,400	77,400	102,340
Technical service fees (Note 9)	7,008,250	5,702,755	6,316,740	5,106,463
Gain on disposal of PPE (Note 10)	(404,970)	(24,597)	(337,884)	(24,597)
Foreign exchange (gain)/loss (Note 12.2)	21,044,508	13,128,577	20,902,423	11,659,247
Interest income on current account (Note 12.1)	(4,653,535)	(1,486,857)	(4,433,892)	(1,386,958)

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

15 Property, plant and equipment

Group	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	Construction Work in Progress	**Right of use assets	Total
	N'000	N'000	N'000	N'000		N'000	N'000	N'000	N'000
Cost:									
As at 1 January 2022	14,866,389	116,321,154	348,722,688	1,397,051	5,096,876	1,951,116	52,925,654	32,076,173	573,357,101
Capital expenditure	-	-	-	-	-	-	23,114,980	-	23,114,980
Reclassification from CWIP	241,549	1,993,050	15,890,273	438,862	2,465,693	30,741	(21,060,168)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	3,430,358	3,430,358
Reclassification from inventories	-	-	1,527,992	36,846	-	-	-	-	1,564,838
Right of use assets prepaid	-	-	-	-	-	-	-	567,500	567,500
Disposals	-	(6,013)	(571,995)	-	(179,994)	-	-	-	(758,002)
Modification of right of use assets	-	-	-	-	-	-	-	(984,705)	(984,705)
As at 31 December 2022	15,107,938	118,308,191	365,568,958	1,872,759	7,382,575	1,981,857	54,980,466	35,089,326	600,292,070
Cost:									
As at 1 January 2023	15,107,938	118,308,191	365,568,958	1,872,759	7,382,575	1,981,857	54,980,466	35,089,326	600,292,070
Construction expenditure	-	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	47,932,391	-	47,932,391
Reclassification from CWIP	35,387	3,839,560	19,100,489	116,713	5,388,265	-	(28,480,414)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	1,549,123	1,549,123
Right of use assets prepaid	-	-	-	-	-	-	-	170,807	170,807
Reclassification from inventories	-	-	(1,341,891)	(36,846)	-	-	-	-	(1,378,737)
Disposals	(20,001)	-	(724,815)	-	(219,823)	-	-	-	(964,639)
Modification of right of use assets	-	-	-	-	-	-	-	(505,000)	(505,000)
As at 31 December 2023	15,123,324	122,147,751	382,602,737	1,952,626	12,551,018	1,981,857	74,432,443	36,304,256	647,096,011

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	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	Construction Work in Progress	**Right of use assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Accumulated depreciation and impairment losses:									
As at 1 January 2022	4,924,640	36,407,715	144,076,129	1,157,917	3,369,375	1,778,204	16,144,134	28,547,714	236,405,829
Charge for the year	26,450	4,013,911	16,639,284	99,060	460,549	59,554	-	3,446,150	24,744,958
On disposals	-	(5,856)	(400,186)	-	(179,993)	-	-	-	(586,035)
As at 31 December 2022	<u>4,951,090</u>	<u>40,415,770</u>	<u>160,315,227</u>	<u>1,256,977</u>	<u>3,649,931</u>	<u>1,837,758</u>	<u>16,144,134</u>	<u>31,993,863</u>	<u>260,564,751</u>
As at 1 January 2023	4,951,090	40,415,770	160,315,227	1,256,977	3,649,931	1,837,758	16,144,134	31,993,863	260,564,751
Charge for the year	76,788	4,144,722	19,292,829	159,682	1,059,714	51,125	-	2,430,104	27,214,964
On disposals	-	-	(683,378)	-	(219,823)	-	-	-	(903,201)
As at 31 December 2023	<u>5,027,879</u>	<u>44,560,492</u>	<u>178,924,678</u>	<u>1,416,659</u>	<u>4,489,822</u>	<u>1,888,883</u>	<u>16,144,134</u>	<u>34,423,967</u>	<u>286,876,515</u>
Carrying amount									
As at 31 December 2023	<u>10,095,445</u>	<u>77,587,259</u>	<u>203,678,059</u>	<u>535,967</u>	<u>8,061,195</u>	<u>92,974</u>	<u>58,288,308</u>	<u>1,880,289</u>	<u>360,219,496</u>
As at 31 December 2022	<u>10,156,848</u>	<u>77,892,421</u>	<u>205,253,730</u>	<u>615,782</u>	<u>3,732,644</u>	<u>144,099</u>	<u>38,836,331</u>	<u>3,095,463</u>	<u>339,727,319</u>
As at 1 January 2022	<u>9,941,749</u>	<u>79,913,439</u>	<u>204,646,559</u>	<u>239,134</u>	<u>1,727,501</u>	<u>172,912</u>	<u>36,781,519</u>	<u>3,528,459</u>	<u>336,951,272</u>

**See note 15.8 for details on right of use assets

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Company	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	Construction Work in Progress	**Right of use assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2022	7,719,084	97,554,312	314,347,769	813,343	4,211,241	1,557,012	25,159,587	31,414,061	482,776,409
Capital expenditure	-	-	-	-	-	-	20,547,026	-	20,547,026
Reclassification from CWIP	128,041	1,538,591	13,857,627	438,862	1,988,170	30,741	(17,982,032)	-	-
Additions	-	-	-	-	-	-	-	3,430,358	3,430,358
Disposals	-	(6,013)	(571,995)	-	(179,994)	-	-	-	(758,002)
Reclassification to inventories	-	-	1,527,992	-	-	-	-	-	1,527,992
Right of use assets prepaid	-	-	-	-	-	-	-	567,500	567,500
Modification of right of use assets	-	-	-	-	-	-	-	(984,705)	(984,705)
As at 31 December 2022	7,847,125	99,086,890	329,161,393	1,252,205	6,019,417	1,587,753	27,724,581	34,427,214	507,106,578
Cost:									
As at 1 January 2023	7,847,125	99,086,890	329,161,393	1,252,205	6,019,417	1,587,753	27,724,581	34,427,214	507,106,578
Construction expenditure	35,388	3,839,453	16,970,589	116,713	5,080,274	-	(26,042,417)	-	-
Capital expenditure	-	-	-	-	-	-	43,098,711	-	43,098,711
Additions	-	-	-	-	-	-	-	1,549,123	1,549,123
Right of use assets prepaid	-	-	-	-	-	-	-	170,807	170,807
Disposal	(20,001)	-	(268,458)	-	(218,113)	-	-	-	(506,571)
Reclassification to inventories	-	-	(1,341,891)	-	-	-	-	-	(1,341,891)
Modification of right of use assets	-	-	-	-	-	-	-	(505,000)	(505,000)
As at 31 December 2023	7,862,512	102,926,343	344,521,633	1,368,918	10,881,579	1,587,753	44,780,875	35,642,144	549,571,757
Accumulated depreciation and impairment losses:									
As at 1 January 2022	4,908,641	29,416,530	129,327,935	684,052	2,798,066	1,281,980	12,394,270	28,260,284	209,071,758
Charge for the year	24,558	3,240,836	15,059,477	44,118	383,476	48,150	-	3,123,605	21,924,220
Disposals	-	(5,856)	(400,186)	-	(179,994)	-	-	-	(586,036)
As at 31 December 2022	4,933,199	32,651,510	143,987,226	728,170	3,001,548	1,330,130	12,394,270	31,383,889	230,409,942
As at 1 January 2023	4,933,199	32,651,510	143,987,226	728,170	3,001,548	1,330,130	12,394,270	31,383,889	230,409,942
Charge for the year	54,087	3,356,727	17,352,974	125,874	926,718	50,869	-	2,377,977	24,245,226
Disposals	-	-	(227,021)	-	(218,113)	-	-	-	(445,134)
As at 31 December 2023	4,987,286	36,008,237	161,113,179	854,044	3,710,153	1,380,999	12,394,270	33,761,866	254,210,034
Carrying amount									
As at 31 December 2023	2,875,226	66,918,106	183,408,455	514,874	7,171,426	206,754	32,386,605	1,880,278	295,361,723
As at 31 December 2022	2,913,926	66,435,380	185,174,167	524,035	3,017,869	257,623	15,330,311	3,043,325	276,696,636
As at 1 January 2022	2,810,443	68,137,782	185,019,834	129,291	1,413,175	275,032	12,765,317	3,153,777	273,704,651

**See note 15.8 for details on right of use assets.

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15.1 Reconciliation of acquisition of property, plant and equipment in the statements of cash flows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2022 N'000	31 Dec 2022 N'000
Acquisition of property, plant and equipment	47,932,391	23,114,980	43,098,711	20,547,026
Additions to Right of use assets	170,807	567,500	170,807	567,500
Property, plant and equipment accrual (Note 33.1.5)	(5,235,523)	(1,993,507)	(4,813,721)	(1,571,706)
Reclassification from inventories	(1,378,737)	1,564,838	(1,341,891)	1,527,992
Property, plant and equipment paid in the statement of cash flows	41,488,938	23,253,811	37,113,906	21,070,812

15.2 Impairment of property, plant and equipment

There is no impairment loss recognised in 2023. No impairment loss was recognised in 2022.

15.3 Assets pledged as security

The Group has no assets pledged as security as at 31 December 2023 (2022: Nil).

15.4 Construction work in progress and Capital commitments

For capital commitments, refer to Note 35. Construction work in progress are the Group's projects on maintaining and developing plants and the office structure.

There was no borrowing cost capitalized during the year

15.5 Breakdown of construction work in progress

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Buildings	10,124,708	27,425,980	10,124,708	5,242,099
Production Plant	34,302,531	10,369,899	8,443,690	9,183,711
Motor Vehicles	108,061	354,816	108,061	354,816
Computer Equipment	226,873	464,714	184,012	434,694
Exploration and evaluation assets	13,526,134	220,923	13,526,134	114,992
	58,288,308	38,836,331	32,386,605	15,330,311

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15.6 Depreciation

Depreciation for the year, including that charged on Right of Use Assets, has been charged as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Cost of sales (Note 7)	25,963,547	23,593,929	23,169,961	21,057,298
Administrative expenses (Note 9)	1,251,417	1,190,323	1,075,265	866,923
	27,214,964	24,784,252	24,245,226	21,924,221

15.7 Right of Use Assets GROUP

	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
Cost:					
As at 1 January 2022	170,439	2,218,006	4,319,582	25,368,146	32,076,173
Additions	574,328	939,550	1,794,789	689,191	3,997,858
Modification of leases	-	-	-	(984,705)	(984,705)
As at 31 December 2022	744,767	3,157,556	6,114,371	25,072,632	35,089,326
As at 1 January 2023	744,767	3,157,556	6,114,371	25,072,632	35,089,326
Additions**	17,480	108,178	-	1,423,465	1,549,123
Additions to Right of use assets	170,807	-	-	-	170,807
Modification of leases	(505,000)	-	-	-	(505,000)
As at 31 December 2023	428,054	3,265,734	6,114,371	26,496,097	36,304,256
Accumulated depreciation:					
As at 1 January 2022	85,715	1,791,867	3,847,700	22,822,431	28,547,714
Depreciation charge for the period	38,894	388,734	1,139,976	1,878,546	3,446,150
As at 31 December 2022	124,608	2,180,602	4,987,676	24,700,977	31,993,863
As at 1 January 2023	124,608	2,180,602	4,987,676	24,700,977	31,993,863
Depreciation charge for the period	27,188	588,913	775,895	1,038,108	2,430,104
As at 31 December 2023	151,797	2,769,514	5,763,571	25,739,085	34,423,967
Carrying amount					
As at 31 December 2023	276,257	496,220	350,800	757,012	1,880,289
As at 31 December 2022	620,159	976,954	1,126,695	371,655	3,095,462
As at 1 January 2022	84,724	426,139	471,882	2,545,715	3,528,459

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Company	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
Cost:					
As at 1 January 2022	170,439	2,200,982	3,674,493	25,368,147	31,414,061
Additions**	574,328	939,550	1,794,789	689,191	3,997,858
Modification of leases	-	-	-	(984,705)	(984,705)
As at 31 December 2022	744,767	3,140,532	5,469,282	25,072,633	34,427,214
As at 1 January 2023	744,767	3,140,532	5,469,282	25,072,633	34,427,214
Additions**	17,480	108,178	-	1,423,465	1,549,123
Right of use assets prepaid	170,807	-	-	-	170,807
Modification of leases ***	(505,000)	-	-	-	(505,000)
As at 31 December 2023	428,054	3,248,710	5,469,282	26,496,098	35,642,144
Accumulated depreciation:					
As at 1 January 2022	85,715	1,774,844	3,577,293	22,822,431	28,260,283
Depreciation charge for the period	38,894	388,734	817,432	1,878,546	3,123,605
As at 31 December 2022	124,609	2,163,578	4,394,725	24,700,977	31,383,888
As at 1 January 2023	124,609	2,163,578	4,394,725	24,700,977	31,383,888
Depreciation charge for the period	27,188	588,913	723,768	1,038,108	2,377,977
As at 31 December 2023	151,797	2,752,491	5,118,493	25,739,085	33,761,865
Carrying amount					
As at 31 December 2023	276,257	496,219	350,789	757,013	1,880,278
As at 31 December 2022	620,158	976,954	1,074,557	371,656	3,043,325

The Group and Company lease several assets, including cement depots, residential apartments, and trucks. The average lease term of the contracts is 3-5years.

**Additions relate to new lease contracts entered into during the year.

***During the year, the Group modified the consideration of its prepaid right of use asset to reflect the appropriate closing balance.

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16 Intangible assets

	Exploration and evaluation N'000	Group Computer Software N'000	Total N'000
Cost			
Balance at 1 January 2022	1,959,013	4,823,863	6,782,876
Balance at 31 December 2022	1,959,013	4,823,863	6,782,876
Balance at 1 January 2023	1,959,013	4,823,863	6,782,876
Balance at 31 December 2023	1,959,013	4,823,863	6,782,876
Accumulated Amortisation			
Balance at 1 January 2022	188,538	4,110,117	4,298,655
Charge for the year	39,294	622,564	661,858
Balance at 31 December 2022	227,832	4,732,681	4,960,513
Balance at 1 January 2023	227,832	4,732,681	4,960,513
Charge for the year	30,594	48,448	79,042
Balance at 31 December 2023	258,426	4,781,129	5,039,555
Carrying amount			
Balance at 1 January 2022	1,770,475	713,746	2,484,222
Balance at 31 December 2022	1,731,181	91,182	1,822,364
Balance at 31 December 2023	1,700,587	42,734	1,743,322

- 16.1 During 2023, the group modified the classification of exploration and evaluation assets to reflect more appropriately the nature of the assets, which is consistent with the accounting policy of the group. Comparative amounts in the statement of financial position were reclassified for consistency. As a result, ₦1.70 billion (2022: ₦1.73 billion) for the Group relating to carrying amount of the assets were reclassified from property, plant and equipments to intangible assets.

	Company	
	Computer Software N'000	Total N'000
Cost		
Balance at 1 January 2022	3,323,900	3,323,900
Balance at 31 December 2022	3,323,900	3,323,900
Balance at 1 January 2023	3,323,900	3,323,900
Balance at 31 December 2023	3,323,900	3,323,900
Accumulated Amortisation		
Balance at 1 January 2022	2,745,578	2,745,578
Charge for the year	487,141	487,141
Balance at 31 December 2022	3,232,719	3,232,719
Balance at 1 January 2023	3,232,719	3,232,719
Charge for the year	48,448	48,448
Balance at 31 December 2023	3,281,167	3,281,167
Carrying amount		
Balance at 1 January 2022	578,322	578,322
Balance at 31 December 2022	91,181	91,181
Balance at 31 December 2023	42,733	42,733

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

16.1 Amortisation of intangible assets

Amortisation for the year has been charged as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Cost of sales (Note 7)	48,448	14,992	48,448	14,992
Administrative expenses (Note 9)	30,594	661,858	-	472,149
	79,042	676,850	48,448	487,141

17 Interests in other entities

17.1 Investments in subsidiaries

The Group's principal subsidiaries at 31 December 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation is also their principal place of business.

31 December 2023

Name of entity	Principal activities	Place of Incorporation	Shareholding	Cost
			%	N'000
Ashaka Cement Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

31 December 2022

Name of entity	Principal activities	Place of Incorporation	Shareholding	Cost
			%	N'000
Ashaka Cement Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

18 Other financial assets - Current

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Short term financial assets	256,050	21,000	248,356	14,335
	256,050	21,000	248,356	14,335

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19 Other assets

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Non current	80,349,982	60,851,702	73,855,897	57,167,949
Current	8,222,664	18,462,277	7,508,475	17,326,786
	88,572,646	79,313,979	81,364,372	74,494,735
Advance payment to suppliers	5,618,619	16,712,693	5,175,081	15,699,180
Prepayment for Gas (Note 19.1)	39,839,960	32,847,289	39,839,960	32,847,289
Prepaid rent	65,804	198,895	59,304	188,323
Prepaid insurance	2,304,913	1,465,183	2,040,762	1,353,777
Advance payment to transporters	34,015,937	24,320,660	34,015,937	24,320,660
Advance payment of taxes and levies (Note 9.1)	233,333	699,999	233,333	699,999
Other Advance Payment*	6,062,301	3,683,753	-	-
	88,140,867	79,928,472	81,364,377	75,109,228

*Other advance payment meant to facilitate issuance of Letter of Credit

19.1 Prepayment for Gas

The Company has a contract with a vendor for gas supply which has a take-or-pay clause. The prepayment for gas relates to payment made for unutilised gas as at the end of the year. The contract is for a period of 25 years from 2012 to 2037 and the Company is entitled to utilise the amount prepaid anytime within the contract period with an extension of 2 years after the expiration of the contract. The Company finalized the contract re-negotiations with the vendor in November 2020 with an effective date of 1 January 2020. The key changes in the new contract are aimed at further ensuring the prepaid gas balance is fully utilised within the contract period.

The Company has performed an assessment to determine whether the prepaid gas asset is recoverable since the amount has continued to increase over the years and has shown a significant increase in the current year due to additional payments made in line with the terms of the re-negotiated contract. This assessment involved a determination of future gas utilization based on assumptions such as future production volumes, forecasted growth rates and utilisation levels as well as the ability of the vendor to fulfill its obligations under the terms of the contract. Based on the assessment performed, including sensitivity analysis around the key judgments and assumptions, the Company expects to fully recover the prepaid gas asset balance within the contract term.

20 Inventories

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Raw materials	4,790,570	5,334,179	4,543,386	4,696,009
Work in progress	2,243,349	319,149	1,854,746	1,105,150
Finished goods	12,522,752	10,462,501	8,584,960	7,948,247
Spare parts	23,912,799	27,038,273	19,935,984	22,779,550
Other supplies (Note 20.1)	10,871,145	9,888,971	6,461,793	5,367,249
	54,340,615	53,043,073	41,380,869	41,896,205

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The cost of inventories recognised as an expense during the year and included in 'cost of sales' was ₦70.1 billion (2022: ₦67.9 billion) and ₦61.3 billion (2022: ₦59.0 billion) for the Group and Company respectively.

Total inventory write down recognised during the year was ₦571.9 million (2022: ₦2.1 billion) and ₦864.1 billion (2022: ₦6.6 billion) for the Group and Company respectively.

The Company employs the services of the following external valuation specialists for the measurement and valuation of inventories;

- Geofourier systems limited (FRC/2021/003/00000022935);
- Isayinka Olusegun (FRC/2021/004/00000024038).

Included in finished goods is off-spec clinker amounting to ₦4.9 billion and ₦0.59 billion (2022: ₦7.2 billion and ₦1.9 billion) for Group and Company respectively and an obsolescence allowance of ₦11 billion and ₦9.6 billion (2022: ₦5.6 billion and ₦1.3 billion) for Group and Company respectively.

20.1 Other supplies

Other supplies consists of safety equipment, packaging materials, traditional fuel and production materials.

21 Trade and other receivables

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Trade receivables:				
Third party receivables	5,748,655	3,971,532	5,227,619	3,567,496
Related party sales (Note 36.4)	-	-	284,006	1,223,198
	5,748,655	3,971,532	5,511,625	4,790,694
Impairment on trade receivables (Note 21.3)	(679,949)	(711,665)	(613,407)	(676,568)
Net trade receivables	5,068,706	3,259,867	4,898,218	4,114,126
Other receivables (Note 21.1)	1,309,401	2,365,694	1,245,689	2,225,951
Due from related parties (Note 36.5)	1,491,732	728,264	43,085,340	36,809,771
	2,801,133	3,093,958	44,331,029	39,035,722
Net other receivables	2,801,133	3,093,958	44,331,029	39,035,722
Total trade and other receivables	7,869,839	6,353,825	49,229,247	43,149,848

The Group and Company's exposure to credit and foreign exchange risks related to trade and other receivables are disclosed in Note 4.

21.1 Analysis of other receivables

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Short term receivables (Note 21.2)	1,309,401	2,355,404	1,245,689	2,215,661
Staff advances	-	10,290	-	10,290
	1,309,401	2,365,694	1,245,689	2,225,951

See Note 4.1.1 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

21.2 Short term receivables

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
WHT receivable	999,116	990,756	998,476	990,756
VAT receivable	79	79	-	-
Receivable from gas contract	-	605,361	-	605,361
Receivables from registrar	202,096	202,096	202,096	202,096
Receivables from bank	-	300,000	-	300,000
Other receivables	108,110	257,112	45,117	117,448
	1,309,401	2,355,404	1,245,689	2,215,661

Included in other receivables is receivable due from transporters for supply of diesel as at 31 December 2023

21.3 Impairment loss

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	711,663	280,496	676,567	269,432
Impairment charge/reversal	(31,714)	431,169	(63,160)	407,136
At 31 December	679,949	711,665	613,407	676,568

22 Cash and cash equivalents

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Restricted cash (Note 22.1)	2,525,271	1,636,942	1,835,826	1,636,942
Cash in hand and at bank (Note 22.2)	61,777,761	116,761,553	52,356,994	105,264,175
Cash in transit	1,814,128	-	1,801,119	-
Short term deposits	102,252,444	-	102,252,444	-
Cash and cash equivalents in the statement of financial position	168,369,604	118,398,495	158,246,383	106,901,117

22.1 Restricted cash

As at year end, cash and cash equivalents included restricted cash, which represents unclaimed dividend amounting to ₦2.53 billion (2022: ₦1.64 billion)

The Group and Company's exposure to credit risk, interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 4.

Cash in transit represent the excess allocation of cash for foreign exchange bid awaiting refund

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22.2 Cash and cash equivalents in the statement of cash flows

For the purpose of the cash flow statement, cash and cash equivalents comprises:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Cash in transit	1,814,128	-	1,801,119	
Short term deposits	102,252,444	-	102,252,444	
Cash in hand and at bank	61,777,761	116,761,553	52,356,994	105,264,175
Cash and cash equivalents in the statement of cash flows	165,844,333	116,761,553	156,410,557	105,264,175

Share capital and Share premium

23 Share capital

Issued and fully paid Ordinary shares of 50k each

	No of shares '000	Share capital N'000
At 1 January 2023	16,107,796	8,053,899
Issued during the year	-	-
At 31 December 2023	16,107,796	8,053,899
At 1 January 2022	16,107,796	8,053,899
Issued during the year	-	-
At 31 December 2022	16,107,796	8,053,899

24 Share premium

	No of shares N'000	Share N'000
At 1 January 2023	16,107,796	435,148,731
Issued during the year	-	-
At 31 December 2023	16,107,796	435,148,731
At 1 January 2022	16,107,796	435,148,731
Issued during the year	-	-
At 31 December 2022	16,107,796	435,148,731

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25 Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Profit attributable to equity holders of the Company	51,141,070	53,647,456	48,056,437	55,032,460
Weighted average number of ordinary shares in issue (Basic)	16,107,796	16,107,796	16,107,796	16,107,796
Weighted average number of ordinary shares in issue (diluted)	16,107,796	16,107,796	16,107,796	16,107,796
Basic earnings per share (Kobo)	317	333	298	342
Diluted earnings per share (Kobo)	317	333	298	342

26 The other reserves arising on business combination and re-organisation is used to recognise the adjustments arising from business combination/re-organisation for entities under common control, when the pooling of interest method was adopted.

27 Loans and borrowings

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Non-current	1,253,406	1,530,387	1,042,554	529,850
Current	24,991,106	35,062,463	23,656,807	33,255,574
Total loans and borrowings	26,244,512	36,592,850	24,699,361	33,785,424
Split into:				
Power fund (Note 27.1)	1,082,251	2,145,449	-	430,356
Bank Loans (Note 27.2)	23,553,987	32,460,672	21,889,006	30,435,997
Lease liabilities (Note 27.3)	1,608,274	1,986,729	1,599,238	1,919,868
Related party loan (Note 27.5)	-	-	1,211,117	999,203
Total loans and borrowings	26,244,512	36,592,850	24,699,361	33,785,424

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27.1 Power Fund:

Lafarge Africa Plc accessed ₦5.3 billion from the unsecured CBN/BOI Power and Aviation Intervention Fund through Guaranty Trust Bank Plc (GTB). Principal and Interest are paid quarterly. The facility has a 10-year tenure with a fixed interest rate of 4% per annum and an effective interest rate of 15.23% per annum. This has been fully repaid as of December 31st 2023.

The Group also accessed an additional N6.4 billion from the unsecured CBN/BOI intervention fund in 2019 through Zenith Bank Plc. Principal repayment commenced in December 2019. The facility has a 7.5-years tenure and an interest rate of 5% per annum. The outstanding balance, at amortised cost, amounts to ₦1.08bn (2022: ₦1.7billion) bringing the total balance in the Group's books to ₦1.08billion (2022: ₦2.1bn).

27.2 Bank Loans: These represent letters of credit facility lines obtained from financial institutions. Interest rate ranges from 9% - 15% p.a and the loans are payable within one year.

27.3 Lease liabilities

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Maturity analysis				
Less than 1 year	481,538	1,456,827	472,502	1,389,966
Between one and two years	874,978	355,664	874,978	355,664
Between two and five years	161,080	19,271	161,080	19,271
Five years and above	90,678	154,967	90,678	154,967
	1,608,274	1,986,729	1,599,238	1,919,868
Analysed as				
Non current	1,126,736	529,902	1,126,736	529,902
Current	481,538	1,456,827	472,502	1,389,966
Total lease liabilities	1,608,274	1,986,729	1,599,238	1,919,868

The Group and Company leases several assets, including cement depots, residential apartments, and trucks. The Group and Company's lease typically run for a period of 3 - 5 years. The Group and Company's truck lease arrangement are based on variable payment terms linked to the usage of the trucks.

27.4 Movement in loans and borrowings

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
At 1 January	36,592,850	23,287,321	33,785,424	20,555,913
Additions:				
Leases	1,646,623	3,436,807	1,646,623	3,436,807
Loans received	25,095,999	27,125,828	24,657,174	25,517,934
	63,335,472	53,849,956	60,089,222	49,510,654
Interest expense (Note 12.2)	562,397	766,862	540,951	512,032
Interest paid on borrowing	(160,308)	(212,070)	(13,816)	(39,089)
Interest paid on leases	(304,999)	(314,080)	(304,999)	(314,080)
Principal repaid	(36,962,555)	(18,700,161)	(35,221,531)	(16,669,658)
Repayment of lease liabilities	(1,721,097)	(3,275,995)	(1,721,097)	(3,275,995)
Impact of modification of leases	(505,000)	(856,505)	(505,000)	(856,505)
Exchange loss / (gain)	4,334,215	5,334,843	4,278,780	4,918,065
At 31 December	28,578,125	36,592,850	27,142,509	33,785,424
Less than one year	27,324,719	35,062,463	26,099,955	33,255,574
Between one and two years	1,001,648	1,139,699	790,796	355,612
Between two to five years	161,080	235,721	161,080	19,271
After five years	90,678	154,967	90,678	154,967
	28,578,125	36,592,850	27,142,509	33,785,424

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27.5 Related Party loans: The balance represents the accrued interest on a loan from AshakaCem Ltd to Lafarge Africa Plc. The principal was settled in March 2019.

28 Provisions

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Non current (Note 28.1)	2,859,365	2,718,463	1,492,476	1,389,034
Current (Note 28.2)	2,212,705	2,353,466	1,895,936	2,108,367
	5,072,070	5,071,929	3,388,412	3,497,401

28.1 Non current

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Site restoration cost				
At 1 January	2,718,462	2,103,557	1,389,034	1,193,962
Provision made during the year	338,373	629,029	286,148	140,795
Utilised	(366,020)	(189,100)	(182,706)	(33,038)
Unwinding of discount (Note12(12.2))	168,550	174,976	-	87,315
At 31 December	2,859,365	2,718,462	1,492,476	1,389,034

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on reclamation closure expert valuation and management's re-assessment.

The Company employs the services of the following external valuation specialists for the measurement and valuation of site restoration;

- Geofourier systems limited (FRC/2021/003/00000022935);
- Isayinka Olusegun (FRC/2021/004/00000024038).

The cost would be unwound for a period of 5-15 years for the Group and Company. The long term inflation and discount rates used in the estimate entities within the Group was 29% (2022: 11.35%) and 15% (2022: 14.16%) respectively.

28.2 Current

Group	Productivity bonus N'000	Total N'000
	At 1 January 2022	2,918,962
Provision made during the year	1,373,888	1,373,888
Payment in the year	(1,939,384)	(1,939,384)
At 31 December 2022	2,353,466	2,353,466
At 1 January 2023	2,353,466	2,353,466
Provision made during the year	1,960,661	1,960,661
Payment in the year	(2,101,421)	(2,101,421)
At 31 December 2023	2,212,706	2,212,706
Company	Productivity bonus N'000	Total N'000
At 1 January 2022	2,571,809	2,571,809
Provision made during the year	1,235,014	1,235,014
Payment in the year	(1,698,456)	(1,698,456)
At 31 December 2022	2,108,367	2,108,367
At 1 January 2023	2,108,367	2,108,367
Provision made during the year	1,658,953	1,658,953
Payment in the year	(1,871,383)	(1,871,383)
At 31 December 2023	1,895,937	1,895,937

The provision for productivity bonus is based on employee performance during the year.

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30.2 Employee long service award scheme

The amount arising from the Group and Company's obligations in respect of its employee long service award schemes is as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Opening balance	2,156,414	1,822,894	1,788,291	1,479,244
Service cost	212,220	166,816	182,020	146,281
Interest cost (Note 12.2)	291,782	237,636	246,136	198,175
Total amount recognised in profit or loss	504,002	404,452	428,156	344,456
Remeasurements:				
Plan amendment	-	-	-	39,880
(Gain)/loss from change in assumptions	(432,146)	(118,282)	(360,004)	(103,118)
Experience adjustment gains/(loss)	(27,466)	193,904	(15,344)	163,173
Total amount recognised in profit or loss	(459,612)	75,622	(375,348)	99,935
Benefits paid	(247,184)	(146,554)	(140,284)	(135,344)
Closing balance	1,953,620	2,156,414	1,700,815	1,788,291

Key assumptions

The key actuarial assumptions used for the purpose of the actuarial valuation are as follows:

Below are key assumptions for Nigerian entities:

Financial assumptions	31 Dec 2023	31 Dec 2022
Discount rate- per annum (p.a)	16.5%	13.6%
Inflation rate	14.0%	11.5%
Salary inflation (p.a)	15.0%	12.0%
Benefit escalation rate	17.4%	6.0%
Normal retirement age	60 years	60 years

A quantitative sensitivity analysis for significant assumptions as at 31 December is as shown below:

Sensitivity analysis for the Company

	31 Dec 2023 N'000	31 Dec 2022 N'000
Base	1,700,814	1,788,291
Discount rate		
0.5% increase	1,656,377	1,850,987
0.5% decrease	1,763,265	1,729,030
Salary increase rate		
0.5% increase	1,750,531	1,834,362
0.5% decrease	1,668,069	1,744,264
Benefit escalation rate		
0.5% increase	1,721,356	1,806,558
0.5% decrease	1,696,081	1,771,069
Mortality experience		
Age rated up by 1 year	1,692,585	1,797,377
Age rated down by 1 year	1,708,409	1,777,919

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Sensitivity analysis for the Group

	31 Dec 2023 N'000	31 Dec 2022 N'000
Base	1,953,618	2,156,413
Discount rate		
0.5% increase	1,902,478	2,228,606
0.5% decrease	2,023,085	2,088,145
Salary increase rate		
0.5% increase	2,008,043	2,208,493
0.5% decrease	1,916,346	2,106,612
Benefit escalation rate		
0.5% increase	1,976,573	2,178,489
0.5% decrease	1,946,577	2,135,590
Mortality experience		
Age rated up by 1 year	1,944,213	2,166,919
Age rated down by 1 year	1,962,106	2,144,346

The discount rate as at 31 December 2023 is set at 16.50% p.a. The discount rate is derived from comparing the plan weighted average liability duration with the duration of a government bond available in the market. The weighted average liability duration for the Plan 2023 and 2022 (7.14 and 7.05) respectively

30.3 Staff gratuities

The amount arising from the Group's obligations in respect of its staff gratuities is as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Opening balance	254,435	342,698	254,435	342,698
Interest cost	31,572	35,543	31,572	35,543
Plan amendment	-	(20,246)	-	(20,246)
Total amount recognised in profit or loss	31,572	15,297	31,572	15,297
Remeasurement:				
(Gain) due to financial assumptions	2,078	(6,693)	2,078	(6,693)
(Gain) due to demographic assumption	3,192	(4)	3,192	(4)
(Gain) due to experience	(2)	4,312	(2)	4,312
Total amount recognised in other comprehensive	5,268	(2,385)	5,268	(2,385)
Benefits paid (Note 33.1.6)	(50,592)	(101,175)	(50,592)	(101,175)
Closing balance	240,683	254,435	240,683	254,435

Below are key assumptions for Nigerian entities:

- i) The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Age	Number of deaths in year in the year out of 10,000 lives.
25	7
30	7
35	9
40	14
45	26

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ii) Withdrawal from Service

Age band	Rate
Less than or equal to 30	4%
31-39	3%
40-44	1%
45-54	1%
55-59	0%

iii) A quantitative sensitivity analysis for significant assumptions as at 31 December is as shown below:

Sensitivity analysis for the Group and Company

	31 Dec 2023 N'000	31 Dec 2022 N'000
Base	240,683	166,172
Discount rate:		
0.5% increase	237,257	258,433
0.5% decrease	244,209	250,555
Mortality experience:		
Age rated up by 1 year	240,764	254,606
Age rated down by 1 year	240,567	254,250

For the current valuation the weighted average liability duration has been determined as 3.2 years, and the company has adopted the yield of 13.30% for the closet Nigerian Government bond as at 29* December 2023 as the discount rate.

31 Trade and other payables

Trade payables

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Trade payables	47,916,414	26,798,891	45,523,914	23,702,343
	47,916,414	26,798,891	45,523,914	23,702,343
Other payables:				
Related party - technical service fee (Note 31.1, 36.4)	4,728,807	5,229,017	4,728,807	4,811,001
Related companies (Note 36.5)	6,550,237	10,022,761	28,955,034	30,011,223
Withholding tax payable	29,010	2,382,573	29,010	2,382,573
Value added tax payable	1,297,176	999,360	1,179,052	860,364
Accruals (Note 31.2)	9,927,625	5,291,210	9,383,282	3,011,069
Other liabilities (Note 31.5)	30,505,735	15,000,537	23,399,454	11,023,248
Dividend payable (Note 31.3)	-	15,073,151	-	15,073,151
	53,038,590	53,998,609	67,674,639	67,172,629
	100,955,004	80,797,500	113,198,553	90,874,972

31.1 LafargeHolcim Technical service fees

This represents the outstanding liability on the Industrial Franchise Agreement with LafargeHolcim of Switzerland. The terms of the agreements include:

- The right for Lafarge Africa Plc to use technical research and development information relating to production and distribution of cement products
- The provision by LafargeHolcim of technical and operational support through the secondment of suitably qualified expatriate personnel, as requested by Lafarge Africa Plc and approved by the Federal Government of Nigeria.
- The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.

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31.2 Accruals	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Freight/ logistics	770,505	181,365	770,505	181,365
Quarry/landed cost	237,134	23,032	-	-
Plant accruals	8,038,728	2,601,778	8,086,801	2,292,688
Power	326,283	1,948,019	-	-
Others	554,976	537,016	511,631	537,016
	9,927,625	5,291,211	9,383,282	3,011,069

31.3 Dividend Payable	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	15,073,151	13,500,412	15,073,151	13,500,412
Dividend declared	32,215,591	16,107,796	32,215,591	16,107,796
Payment to the equity holders of the parent	(47,288,742)	(14,535,057)	(47,288,742)	(14,535,057)
At 31 December	-	15,073,151	-	15,073,151

The outstanding dividend payable as at December 31, 2023 was Nil (2022: N15.07 billion).

31.4 Dividend paid

The following dividend was paid during the year:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Caricement B.V	28,654,837	7,454,627	28,654,837	7,454,627
Associated International Cement Ltd	13,419,135	4,473,045	13,419,135	4,473,045
Other equity holders	5,214,770	2,607,385	5,214,770	2,607,385
Total	47,288,742	14,535,057	47,288,742	14,535,057

31.5 Included in the other liabilities are pension fund liability, customers rebate liability, non income tax and capital expenditures payable.

32 Contract liabilities

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Contract liabilities**	74,982,644	46,019,970	68,958,839	40,410,912

**This represents advance payment from customers for the supply of cement and readymix products not yet delivered as at

32.1

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Balance at 1 January 2022	46,019,970	43,361,653	40,410,912	36,414,142
Added	476,234,722	397,631,756	476,234,722	397,631,756
Utilized during the year	(447,272,048)	(394,973,439)	(447,272,048)	(394,973,439)
Balance at December 2023	74,982,644	46,019,970	69,373,586	40,410,912

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Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023

33 Additional cash flow information

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
33.1 Working capital adjustments:				
Decrease/ (increase) in inventories (Note 33.1.1)	81,195	(9,597,784)	1,857,227	(6,767,703)
(Increase)/decrease in trade and other receivables (Note 33.1.2)	(1,484,300)	411,760	(6,016,239)	(11,179,832)
(Increase)/decrease in other assets (Note 33.1.3)	(9,258,667)	(28,503,447)	(6,869,637)	(27,060,525)
(Increase)/decrease in other financial assets (Note 33.1.4)	(235,050)	19,014,529	(234,021)	18,961,576
Increase in trade and other payables (Note 33.1.5)	14,921,981	17,415,510	17,509,860	15,028,332
Increase in contract liabilities	28,962,674	2,658,317	28,547,927	3,996,770
	32,987,833	1,398,885	34,795,117	(7,021,382)

33.1.1 Reconciliation of changes in inventories included in statement of cash flows:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Movement in inventories	(1,297,542)	(8,032,946)	515,336	(5,239,711)
Reclassification to Property, plant and equipment	1,378,737	(1,564,838)	1,341,891	(1,527,992)
Movement as per the Statement of Cashflows	81,195	(9,597,784)	1,857,227	(6,767,703)

33.1.2 Reconciliation of changes in trade and other receivables included in statement of cash flows:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Movement in trade and other receivables	(1,516,014)	842,929	(6,079,399)	(10,772,696)
Reclassification of Impairment loss on trade receivables (Note 21.3)	31,714	(431,169)	63,160	(407,136)
Movement as per the Statement of Cashflows	(1,484,300)	411,760	(6,016,239)	(11,179,833)

33.1.3 Reconciliation of changes in other assets included in statement of cash flows:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Movement in other assets	(9,258,667)	(28,503,447)	(6,869,637)	(27,060,525)
Movement as per the Statement of Cashflows	(9,258,667)	(28,503,447)	(6,869,637)	(27,060,525)

33.1.4 Reconciliation of changes in other financial assets included in statement of cash flows:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Movement in other financial assets	(235,050)	19,014,529	(234,021)	18,961,576
Movement as per the Statement of Cashflows	(235,050)	19,014,529	(234,021)	18,961,576

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33.1.5 Reconciliation of changes in trade and other payables included in statement of cash flows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Movement in trade and other payables	20,157,504	20,981,756	22,323,581	13,510,940
Reclassification of dividend payable (Note 32.3)	-	(1,572,739)	-	(4,905,583)
Accruals on Property plant and Equipment (Note 15.1)	(5,235,523)	(1,993,507)	(4,813,721)	(178,105)
Movement as per the Statement of Cashflows	14,921,981	17,415,510	17,509,860	8,427,252

33.1.6 Provisions and net movement on employee benefit

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Retirement benefit obligations - Plan amendment/curtailment (Note 31.3)	-	(20,246)	-	(20,246)
Employee Long Service Award - service cost (Note 30.2)	212,220	166,816	182,020	146,281
Productivity bonus payment (Note 28.2)	(2,101,421)	(1,939,384)	(1,871,383)	(1,698,456)
Staff gratuity benefits paid (Note 30.3)	(50,592)	(101,175)	(50,592)	(101,175)
Employee Long service award benefits paid (Note 30.2)	(247,184)	(146,554)	(140,284)	(135,344)
Remeasurement (gains) / losses – Long service awards (Note 30.2)	(459,612)	75,622	(375,348)	99,935
Provision for productivity bonus for the year	1,960,661	1,373,888	1,658,953	1,235,014
	(685,928)	(591,033)	(596,634)	(473,991)

33.2 In the statement of cash flows, profit on sale of property, plant and equipment (PPE) comprise:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Proceeds from sale of property, plant and equipment-	-	68,869	-	68,868
Proceeds from sale of property, plant and equipment-(non cash)	466,408	127,695	399,321	127,695
Net book value of property, plant and equipment	(61,438)	(171,967)	(61,437)	(171,966)
Gain on sale of property, plant and equipment (Note 10)	404,970	24,597	337,884	24,597

33.3 Other non cash items

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Gain on sale of property plant and equipment (Note 10)	(404,970)	(24,597)	(337,884)	24,597
Impairment loss on trade and other receivables (Note 10)	(31,714)	431,169	(63,160)	407,136
Movement in site restoration cost	(27,648)	439,928	103,442	301,279
Government grants (Note 10)	(321,459)	(326,473)	(142,433)	(110,732)
	(785,788)	520,028	(440,035)	622,280

34 Commitments for expenditure

Capital expenditure contracted for at the reporting period end but not recognised in the financial statements is as follows:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Capital expenditure commitments				
Approved and contracted for	9,896,370	6,174,496	9,896,370	6,174,496
	9,896,370	6,174,496	9,896,370	6,174,496

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Operating expenditure commitments

Commitments for the supply of gas (Note 34.1)	406,722,137	214,299,398	406,722,137	214,299,398
Commitments for the supply of power (Note 34.2)	8,512,590	7,196,962	8,512,590	7,196,962
Guarantee for gas commitment (Mfamosing project)	1,654,596	1,654,596	1,654,596	1,654,596
Guarantee for truck financing	2,193,180	1,617,567	2,193,180	1,617,567
	419,082,503	224,768,523	419,082,503	224,768,523

34.1 This represents the total commitments with respect to termination payment clause on gas contracts. This amount is made up of ₦163.8 billion relating to gas supply contract with a vendor for the supply of gas to Mfamosing Plant, ₦242.9 billion relating to another gas supply contract with a vendor for the supply of gas to Ewekoro and Shagamu Plants.

34.2 Commitments for the supply of power represents the fixed cost commitment on a monthly basis for the supply of power to the Ewekoro and Mfamosing plant for period of ten years from the effective date of the contract (₦6.2 billion). Also included is the additional fixed cost commitment for the supply of power to Ewekoro plant for the period of five years (₦2.3 billion).

35 Contingent liabilities

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Lafarge Africa Plc				
Various litigations and claims (Note 35.1)	390,719	3,134,417	390,719	3,134,417
Letters of credit (Note 35.2)	24,657,175	20,550,258	23,422,629	20,550,258
Pension audit	2,100,442	2,100,442	2,100,442	2,100,442
	27,148,336	25,785,116	25,913,790	25,785,116

35.1 The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigations and other claims amounted to ₦390 million (2022: ₦3.1 billion), amongst other claims for the Group and Company respectively.

The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Thus the possible obligation has not been provided for in the financial statements.

35.2 This represents letters of credit which have been opened but shipment of items has not been initiated and as such risks and rewards have not been transferred to the Group and Company as at year end.

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36 Related party transactions

36.1 Ultimate parent entity

The ultimate parent entity of the Group is Holcim, incorporated in Switzerland.

In the normal course of business, Lafarge Africa Plc sells cement to other subsidiaries of the ultimate

The Company receives technical assistance from the majority shareholder which is paid for under the Industrial Franchise Agreement (see Note 9.4).

36.2 Subsidiaries

Subsidiaries are set out in Note 17.1.

36.3 Transactions with related parties

The following transactions occurred with related parties during the year:

Sales of goods and services	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
AshakaCem Limited	-	-	284,006	1,223,198
Total transaction value	-	-	284,006	1,223,198

Purchase of goods and services	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Holcim Trading	3,292,117	3,292,117	3,292,117	3,292,117
Total transaction value	3,292,117	3,292,117	3,292,117	3,292,117

Goods were sold to related parties during the year based on normal commercial terms and conditions and at market rates.

Nature of transaction	Group		Company		
	31 Dec	31 Dec	31 Dec	31 Dec	
	2023	2022	2023	2022	
	N'000	N'000	N'000	N'000	
Others					
AshakaCem Limited	Recharges	-	-	5,979,881	16,703,368
Holcim Group Services Ltd	Services Related	-	23,945	-	23,945
Holcim Ltd	IT Services	294,642	957,042	294,642	957,042
Lafarge Cement Technical Center Vienna GmbH	Services Related	670	5,628	670	5,628
Holcim Trading S.A.	Fuel	(100,026)	103,118	(100,026)	103,118
Lafarge Cement Egypt S.A.E.	Employee Related	220,496	-	220,496.25	

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Others (Cont'd)	Nature of transaction	Group		Company	
		31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Holcim Technology Ltd	Technical Fees	1,357,165	2,112,530	1,357,165	2,112,530
Holcim (Maroc) S.A.	Fuel	-	-		
Lafarge Intern Serv Singapore	Employee Related	1,290,847	1,563,443	1,290,847	1,290,847
LafargeHolcim España, S.A.U.	Payroll and other personnel recharges	30,024	-	30,024	-
LafargeHolcim Investment Ltd	Payroll and other personnel recharges	130,745	23,039	130,745	23,039
Total transaction value		3,224,563	4,788,745	9,204,443	21,219,518

36.4 Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Trade receivables:				
AshakaCem Limited	-	-	284,006	1,223,198
	-	-	284,006	1,223,198
Technical fees:				
Lafarge S.A Paris	418,016	418,016	418,016	418,016
Holcim Technology Ltd	4,310,791	4,811,001	4,310,791	4,392,985
	4,728,807	5,229,017	4,728,807	4,811,001

The sale of goods to/from related parties was carried out on commercial terms and conditions. Hence, the Directors are of the opinion that there is no conflict of interests. 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 debts in respect of the amounts owed by related parties.

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36.5 Other receivables from and payables to related parties

Other receivables			Group		Company	
			31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
AshakaCem Limited	Subsidiary	Back end expenses and System, application & support	-	-	41,826,112	36,130,237
Lafarge S.A.	Fellow subsidiary	Back end expenses.	153,137	124,596	153,137	93,623
LafargeHolcim Energy Solutions	Fellow subsidiary	Back end expenses.				
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.				
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	1,188,505	556,181	956,000	538,424
Holcim Technology Ltd	Fellow subsidiary	Back end expenses.				
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.	150,090	47,487	150,090	47,487
			1,491,732	728,264	43,085,340	36,809,771
Other payables			Group		Company	
			31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Lafarge S.A	Fellow subsidiary	Back end expenses.	1,034,639	254,110	1,089,986	254,110
Holcim technology limited	Fellow subsidiary	Back end expenses.	2,400,628	4,484,023	2,084,082	4,664,103
AshakaCem Limited	Subsidiary	Back end expenses.			24,353,201	20,657,509
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge MEA Building Materials S.A.E	Fellow subsidiary	Back end expenses.	309	504,133	309	489,400
Holcim Trading S.A.	Fellow subsidiary	Back end expenses.	1,106,616	2,656,641	378,848	2,656,641
Technical Center Europe-Africa	Fellow subsidiary	Back end expenses.				
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.				
Lafarge International Services Singapore Pte Ltd	Fellow subsidiary	Back end expenses.	860,437	1,310,221	708,609	842,959
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.				
Holcim España, S.A.U.	Fellow subsidiary	Back end expenses.	135,956	48,560	135,956	48,560

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Other payables (contd)			Group		Company	
			31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
LafargeHolcim Building Materials (China) Co., Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
LH Trading Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
LafargeHolcim Maroc	Fellow subsidiary	Back end expenses.	176,799	105,565	176,799	105,565
Lafarge Cement Technical Center Vienna Gmbh	Fellow subsidiary	Back end expenses.	8,762	11,228	8,762	11,228
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	215,838	258,008	8,483	256,649
Lafarge A&C Technical Service (Beijing) Co Ltd	Fellow subsidiary	Back end expenses.	15,641	13,651.32	-	-
Bhd (Asia Technical Center)	Fellow subsidiary	Back end expenses.	277,991	251,171	-	-
LafargeHolcim Investment Ltd	Fellow subsidiary	Back end expenses.	306,622	125,450	-	24,499
Wapsila Nigeria Limited	Fellow subsidiary	Investment	10,000	-	10,000	-
			6,550,237	10,022,762	28,955,034	30,011,223

***Back end expenses relates to charge back of employee related costs, IT services and other administrative expenses.

36.6 Loans from related parties

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
AshakaCem Limited	-	-	1,211,117	999,203
	-	-	1,211,117	999,203

36.7 Key management personnel compensation

Key management personnel	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Salaries and other short term employee benefits	2,050,770	1,732,049	2,050,770	1,732,049
Post-employment benefits	563,537	100,530	563,537	100,530
Total	2,614,307	1,832,578	2,614,307	1,832,578

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37 Directors and employees

Directors

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Directors' emolument comprises:				
Salaries/fees	527,805	639,762	527,805	639,762
Sitting allowance and other benefits	210,092	216,357	210,092	216,357
	737,897	856,119	737,897	856,119

Fees and other emoluments disclosed above include amounts paid to:

	Salaries/Fees		Sitting allowance		Other benefits		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Executive Director								
Lolu Alade-Akinyemi	161,540	145,320	-	-	88,807	10,091	250,348	155,411
Non- Executive Directors								
Adebode Adefioye	22,754	10,000	4,200	3,600	-	-	26,954	13,600
Khaled Abdel Aziz El Dokani	290,566	452,442	-	-	93,885	181,194	384,451	633,636
Adenike Ogunlesi	13,236	8,000	4,800	4,008	-	-	18,036	12,008
Elenda Giwa- Amu	13,236	8,000	6,000	5,688	-	-	19,236	13,688
Karine Uzan Mercie	-	-	-	-	-	-	-	-
Marco Licata	-	-	-	-	-	-	-	-
Grant Earnshaw	-	-	-	-	-	-	-	-
Gbenga Oyebode MFR	13,236	8,000	5,600	5,288	-	-	18,836	13,288
Oyinkan Adewale FCA	13,236	8,000	6,800	6,488	-	-	20,036	14,488
Mr. Kaspar Theiler	-	-	-	-	-	-	-	-
	527,805	639,762	27,400	25,072	182,692	191,285	737,897	856,119

Salaries/fees represent annual remuneration, bonus paid, long term benefits and pensions, while other benefits are related to other personnel costs.

Employees

The average number of employees employed during the year was:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Managerial staff	1,022	1,056	864	894
Senior staff	113	112	108	106
Junior staff	332	175	231	72
	1,467	1,343	1,203	1,072

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The aggregate payroll costs were:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	15,473,222	22,737,659	11,391,085	19,313,569
Administrative staff salaries and other staff related costs	7,701,435	7,643,600	7,758,461	7,643,600
Marketing staff salaries and other related costs	3,975,567	3,253,636	3,975,567	3,253,346
Pension and social benefits	1,334,782	1,159,325	1,156,760	1,004,615
Staff training	369,892	354,906	366,280	350,437
	28,854,898	35,149,126	24,648,153	31,565,567

The number of employees with gross emoluments within the ranges below were:

Range (N)	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	Number	Number	Number	Number
Up to 1,000,000	12	18	8	14
1,000,001 - 3,000,000	166	77	166	53
3,000,001 - 5,000,000	254	370	157	233
5,000,001 - 7,000,000	365	346	261	279
7,000,001 - 10,000,000	294	213	261	190
Above 10,000,000	376	319	350	303
	1,467	1,343	1,203	1,072

38 Events after the reporting period

There are no events which could have had a material effect on the financial position of the Group and the Company as at 31 December 2023 and Group and the company financial performance for the year ended that have not been adequately provided for or disclosed in these consolidated and separated financial statements.

Other National Disclosures

Lafarge Africa Plc

Consolidated and Separate Value Added Statement for the year ended 31 December 2023

Group	31 Dec 2023		31 Dec 2022	
	N'000	%	N'000	%
Revenue	405,502,712	363	373,244,938	354
Bought in materials and services				
Local	(313,994,176)	(281)	(289,131,034)	(274)
Imported	14,777,390	13	19,292,955	18
		-		-
Other income and finance income	5,545,246	5	2,091,379	2
Value added	111,831,172	100	105,498,238	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	28,854,898	26	24,251,890	23
To pay providers of capital:				
Interest on borrowings	562,397	1	766,862	1
To pay government:				
Income tax expense	4,057,843	4	2,047,779	2
Retained in the business				
To maintain and replace:				
Depreciation of property, plant and equipment	27,214,964	25	24,744,958	24
Intangible assets	-	-	-	-
To augment reserves	51,141,070	46	53,647,456	51
Value added	111,831,172	101	105,498,238	100
Company	31 Dec 2023		31 Dec 2022	
	N'000	%	N'000	%
Revenue	372,513,521	371	340,633,999	340
Bought in materials and services				
Local	(260,119,121)	(259)	(220,964,735)	(221)
Imported	(17,147,844)	(17)	(21,341,468)	(21)
Other income and finance income	5,073,085	5	1,790,747	2
Value added	100,319,641	100	100,118,543	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	24,648,153	25	20,668,621	21
To pay providers of capital:				
Interest on borrowings	540,951	1	512,033	1
To pay government:				
Income tax expense	2,828,875	3	1,981,209	2
Retained in the business				
To maintain and replace:				
Depreciation of plant, property and equipment	24,245,226	23	21,924,221	21
To augment reserves	48,056,437	48	55,032,460	55
Value added	100,319,641	100	109,875,354	100

Lafarge Africa Plc

Five Year Financial Summary for the year ended 31 December 2023

Group	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Financial position					
Capital employed:					
Ordinary share capital	8,053,899	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	435,148,731	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings	245,978,292	227,028,432	189,487,103	170,579,540	155,801,325
Foreign currency translation reserve	-	-	-	(14,611)	39,103
Other reserves on business combination and re-organisation	(254,129,057)	(254,129,057)	(254,129,056)	(254,129,057)	(254,129,057)
Total equity	435,051,865	416,102,005	378,560,677	359,638,502	344,914,001
Represented by:					
Property, plant & equipment	360,219,496	341,458,500	338,721,748	348,328,150	369,797,229
Intangible assets	1,743,322	91,182	713,746	1,939,210	3,202,068
Investment in joint ventures	-	-	-	379,432	-
Other financial assets	-	-	-	964,796	767,253
Other assets	80,349,982	60,851,702	35,535,403	29,127,048	20,345,783
Deferred tax assets	-	2,031,419	15,292,417	23,404,073	27,994,154
Net current assets/(liabilities)	30,095,443	27,895,840	5,521,795	(24,484,811)	(9,366,049)
	472,408,243	432,328,643	395,785,109	379,657,898	412,740,438
Borrowings	(1,253,406)	(1,530,387)	(2,482,049)	(5,139,600)	(52,664,863)
Deferred tax liabilities	(30,176,337)	(8,472,328)	(9,116,700)	(9,401,523)	(9,966,699)
Provisions	(2,859,365)	(2,718,463)	(2,103,557)	(1,510,577)	(1,011,285)
Contract Liabilities	(872,966)	(1,094,611)	(1,356,534)	(1,683,008)	(2,307,466)
Employee benefits obligation	(2,194,303)	(2,410,859)	(2,165,592)	(2,284,688)	(1,876,124)
Net assets	435,051,866	416,102,005	378,560,677	359,638,502	344,914,001
Net assets per share (Kobo)	2,701	2,568	2,350	2,233	1,551

Net assets per share is calculated by dividing net assets of the Group by the number of ordinary shares outstanding at the end of the reporting period.

Financial result	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Revenue	405,502,712	373,244,938	293,086,183	230,572,922	212,999,066
Profit before minimum tax	80,694,611	69,744,701	62,254,478	37,572,131	17,892,285
Profit for the year	51,141,070	53,647,456	51,003,549	30,842,138	15,517,786
Dividend proposed	32,215,591	32,215,591	32,215,591	16,107,796	16,107,796
Per share data (Kobo)					
Earnings - Basic (continuing operations)	318	333	317	191	96
Earnings - Basic (continuing & discontinued operations)	317	333	317	191	715
Dividend proposed (kobo)	200	200	200	100	100
Dividend cover (times)	1.59	1.67	1.58	1.91	1
Net assets per share (Kobo)	2,701	2,583	2,350	2,233	2,141

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Lafarge Africa Plc

Five Year Financial Summary for the year ended 31 December 2023

Company	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Financial position					
Capital employed:					
Ordinary share capital	8,053,899	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	435,148,731	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings	200,595,685	184,751,152	145,824,819	124,464,893	111,857,805
Foreign currency translation reserve	-	-	-	(14,611)	39,103
Other reserves on business combination and re-organisation	(193,677,979)	(193,677,979)	(193,677,979)	(193,677,979)	(193,677,979)
Total equity	450,120,336	434,275,803	395,349,470	373,974,933	361,421,559
Represented by:					
Property, plant & equipment	295,361,723	276,696,636	273,704,651	287,447,215	308,650,770
Intangible assets	42,733	91,181	578,322	1,524,264	2,506,810
Investments in subsidiaries	63,906,867	63,906,867	63,906,867	63,906,867	63,906,867
Investment in joint venture	-	-	-	379,432	-
Other financial assets	-	-	-	964,796	767,253
Other assets	73,855,897	57,167,949	32,699,442	28,657,973	18,772,032
Deferred tax assets	-	2,031,419	15,292,417	23,404,073	27,994,154
Net current assets/(liabilities)	43,953,737	39,356,202	14,016,327	(25,474,680)	(11,732,271)
	477,120,957	439,250,254	400,198,026	380,809,940	410,865,615
Borrowings	(1,042,554)	(529,850)	(709,077)	(2,774,394)	(45,899,963)
Provisions	(1,492,476)	(1,389,034)	(1,193,962)	(817,124)	(547,403)
Contract liabilities	(867,313)	(1,012,843)	(1,123,575)	(1,234,307)	(1,345,039)
Employee benefits obligation	(1,941,498)	(2,042,726)	(1,821,942)	(2,009,182)	(1,651,651)
Net assets	471,777,118	434,275,801	395,349,470	373,974,933	361,421,559
Net assets per share (Kobo)	2,929	2,696	2,454	2,322	4,488

Net assets per share is calculated by dividing net assets of the Group by the number of ordinary shares outstanding at the end of the reporting period.

Financial result	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Revenue	372,513,521	340,633,999	262,299,071	202,530,359	188,407,004
Profit before minimum tax	76,361,587	71,537,203	63,649,528	34,319,046	24,318,017
Profit for the year	48,056,437	55,032,460	53,455,912	28,714,884	22,721,616
Dividend proposed	32,215,591	32,215,591	32,215,591	16,107,796	16,107,796
Per share data (Kobo)					
Earnings - Basic (continuing & discontinued operations)	298	342	332	178	141
Earnings - Basic (discontinued operations)	298	342	333	178	141
Dividend proposed (kobo)	200	200	200	100	100
Dividend cover (times)	1.49	1.71	1.66	2	1.41
Net assets per share (Kobo)	2,929	2,696	2,454	2,322	2,244

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding at the end of the reporting period.