

Lafarge Africa Plc
Audited Interim Consolidated Financial Statements
for the nine months ended 30 September 2024

Lafarge Africa Plc

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Lafarge Africa Plc

Directors' and Other Corporate Information

Company registration number

RC 1858
TIN-01057508-0001

Directors

Mr. Gbenga Oyeboode, MFR
Mr. Lolu Alade-Akinyemi
Mrs. Elenda Giwa-Amu
Mrs. Adenike Ogunlesi
Mr. Khaled Abdel Aziz El Dokani (Egyptian)
Mrs. Oyinkan Adewale (FCA)
Mr. Kaspar Theiler (Swiss)
Mr. Grant Earnshaw (British) (appointed w.e.f 27 February 2024)
Mrs. Claudia Albertini (Italian)
Mrs. Olusola Oworu (appointed w.e.f 25 July 2024)
Mr. Taner Demir (appointed w.e.f 26 July 2024)
Mrs. Karine Uzan Mercie (French) (resigned w.e.f 25 July 2024)

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

Chief Financial Officer

Mr. Puneet Sharma

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
UBA House Marina Road
Lagos-Island
Lagos

Principal Bankers

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

Lafarge Africa Plc

Report of the Directors

The Directors are pleased to present the consolidated and separate financial statements of Lafarge Africa Plc ("the Company") and its subsidiaries (together, "the Group") for the nine months period ended 30 September 2024.

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 nine months period ended 30 September 2024 are presented below.

	The Group		The Company	
	9months ended ended N'000	9months ended ended N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
Revenue	479,941,897	289,081,398	445,730,179	264,967,798
Profit before taxation	91,547,833	61,156,355	89,587,568	59,098,082
Income tax expense	(34,250,071)	(21,851,700)	(33,444,633)	(21,098,065)
Profit for the period	57,297,762	39,304,655	56,142,935	38,000,017
Total comprehensive income for the period	57,297,762	39,304,655	56,142,935	38,000,017

Shareholding and substantial shareholders

The issued and fully paid-up Share Capital of the Company as at 30 September 2024 was 16,107,795,721 ordinary shares of 50kobo each (31 December 2023: 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 30 September 2024. The remaining 16.19% of the issued shares were held by other individuals and institutions.

Aside the aforementioned two companies, no other shareholder held more than 5% of the issued share capital of the Company as at 30 September 2024.

Lafarge Africa Plc

Report of the Directors

Shareholding analysis

The Registrars have advised that the range of shareholding as at 30 September 2024 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

Directors' responsibilities in relation to the financial statements

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 13 to 67 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.

Directors

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

Mr. Gbenga Oyeode, MFR	Chairman
Mr. Lolu Alade-Akinyemi	Group Managing Director/CEO
Mrs. Elenda Giwa-Amu	Non-Executive Director
Mrs. Adenike Ogunlesi	Independent Non-Executive Director
Mr. Khaled Abdel Aziz El Dokani (Egyptian)	Non-Executive Director
Mrs. Oyinkan Adewale (FCA)	Independent Non-Executive Director
Mr. Kaspar Theiler (Swiss)	Non-Executive Director
Mr. Grant Earnshaw (British) (appointed w.e.f 27 February 2024)	Non-Executive Director
Mrs. Claudia Albertini (Italian)	Non-Executive Director
Mrs. Olusola Oworu (appointed w.e.f 25 July 2024)	Independent Non-Executive Director
Mr Taner Demir (appointed w.e.f 26 July 2024)	Non-Executive Director
Mrs. Karine Uzan Mercie (French) (resigned w.e.f 25 July 2024)	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:

Lafarge Africa Plc

Report of the Directors

Directors

Mr. Gbenga Oyeboode, MFR
 Mr. Lolu Alade-Akinyemi
 Mrs. Elenda Giwa-Amu
 Mrs. Adenike Ogunlesi
 Mr. Khaled Abdel Aziz El Dokani (Egyptian)
 Mrs. Oyinkan Adewale (FCA)
 Mr. Kaspar Theiler (Swiss)
 Mr. Grant Earnshaw (British) (appointed w.e.f 27 February 2024)
 Mrs. Claudia Albertini (Italian)
 Mrs. Olusola Oworu (appointed w.e.f 25 July 2024)
 Mr. Taner Demir (appointed w.e.f 26 July 2024)
 Mrs. Karine Uzan Mercie (French) (resigned w.e.f 25 July 2024)

No of shares 30.09.2024	No of shares 31.12.2023
-	-
-	-
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 30 September 2024.

Donations and charitable gifts

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 (2023: Nil).

Property, plant and equipment

Information relating to changes in property, plant & equipment is disclosed in Note 15 to the interim 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 interim consolidated and separate 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 2024, 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.

Lafarge Africa Plc

Report of the Directors

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.

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.

Independent Auditor

Messrs Ernst & Young having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors of the Company. In accordance with Section 401(2) of CAMA 2020, the auditors were re-appointed at the last annual general meeting of the Company.

A resolution was proposed empowering the Directors to determine the remuneration of the Auditors.

BY ORDER OF THE BOARD



Adewunmi Alode (Mrs.)

Company Secretary

FRC/2018/ICSAN/00000017796

Date: 19th December 2024

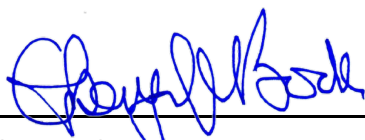
Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements

The Directors accept responsibility for the preparation of the 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 Amendment 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:



Gbenga Oyeboade, MFR
FRC/2013/NBA/00000002546
Date: December 2024



Lolu Alade-Akinyemi
FRC/2020/001/00000020157
Date: December 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 Chief Financial Officer, hereby certify the interim consolidated and separate financial statements of Lafarge Africa Plc for the period ended 30 September 2024 as follows:

- (a) That we have reviewed the audited consolidated and separate financial statements of the Group and the Company for the period ended 30 September 2024.
- (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 period ended 30 September 2024.
- (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 period ended 30 September 2024.
- (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.



Lolu Alade-Akinyemi

Group Managing Director

FRC/2020/001/00000020157

Date: December 2024



Puneet Sharma

Chief Financial Officer*

FRC/2024/PRO/ANAN/001/999568

Date: 19th December 2024

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 30 September 2024, 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 period 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 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 applies 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 ₦8.5 billion and ₦714.8 million for the Group and the Company respectively in the consolidated and separate financial statements.</p> <p>Refer to Note 20 (Inventories) to the Consolidated and Separate Financial Statements</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 evaluated 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 are 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 corresponding figures for the interim consolidated and separate statements of profit or loss and other comprehensive income, the interim consolidated and separate statements of changes in equity and the interim consolidated and separate statements of cash flows of Lafarge Africa Plc ('the Company') and its subsidiaries (together 'the Group') for the nine months period ended 30 September 2023 are unaudited.

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 period ended 30 September 2024”, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.



Funmi Ogunlowo

FRC/ 2013/ PRO/ ICAN/ 004/ 00000000681



For Ernst & Young

Lagos, Nigeria

December 2024

Lafarge Africa Plc
*Consolidated and Separate Statements of Profit or Loss and Other
Comprehensive Income for the nine months period ended 30 September
2024*

		Group		Company	
		9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	Notes	₦'000	₦'000	₦'000	₦'000
Revenue	6	479,941,897	289,081,398	445,730,179	264,967,798
Cost of sales	7	(246,588,915)	(141,018,646)	(217,246,511)	(128,007,473)
Gross profit		233,352,982	148,062,752	228,483,668	136,960,325
Selling and distribution costs	8	(79,713,463)	(60,834,982)	(76,351,515)	(53,367,638)
Administrative expenses	9	(29,061,900)	(18,410,276)	(28,726,946)	(17,180,587)
Other income	10	2,270,079	540,706	1,420,687	421,000
Impairment loss on receivables	11	(250,621)	(8,909)	(75,718)	(6,626)
Operating profit		126,597,077	69,349,291	124,750,176	66,826,474
Finance income	12(a)	1,028,738	3,373,884	725,398	3,183,544
Finance costs	12(b)	(36,077,982)	(11,566,820)	(35,888,006)	(10,911,936)
Profit before taxation		91,547,833	61,156,355	89,587,568	59,098,082
Income tax expense	13	(34,250,071)	(21,851,700)	(33,444,633)	(21,098,065)
Profit after taxation		57,297,762	39,304,655	56,142,935	38,000,017
Total comprehensive income for the period		57,297,762	39,304,655	56,142,935	38,000,017
Profit attributable to :					
- Owners		57,297,762	39,304,655	56,142,935	38,000,017
		57,297,762	39,304,655	56,142,935	38,000,017
Total comprehensive income for the period is attributable to:					
- Owners		57,297,762	39,304,655	56,142,935	38,000,017
		57,297,762	39,304,655	56,142,935	38,000,017
Earnings per share attributable to the ordinary equity holders of the Company:					
Basic earnings per share (Kobo)	24	356	244	349	236

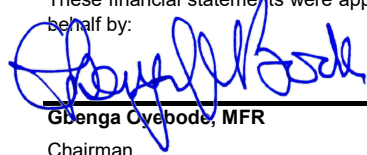
Lafarge Africa Plc

Consolidated and Separate Statements of Financial Position as at 30 September 2024

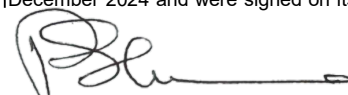
		Group		Company	
		30 September	31 December	30 September	31 December
		2024	2023	2024	2023
Notes		₦'000	₦'000	₦'000	₦'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	390,674,681	360,219,496	320,860,573	295,361,723
Intangible assets	16	1,674,105	1,743,322	35,611	42,733
Investments in subsidiaries	17.1	-	-	63,906,867	63,906,867
Other assets	19	145,404,581	80,349,982	136,955,280	73,855,897
Total non-current assets		537,753,367	442,312,800	521,758,331	433,167,220
Current assets					
Inventories	20	100,597,173	54,340,615	80,634,641	41,380,869
Trade and other receivables	21	8,927,571	7,869,839	59,920,790	49,229,247
Other assets	19	20,735,483	8,222,664	19,696,361	7,508,475
Other financial assets	18	49,545,220	256,050	43,777,187	248,356
Cash and cash equivalents	22	90,460,501	168,369,604	85,229,744	158,246,383
Total current assets		270,265,948	239,058,772	289,258,723	256,613,330
Total assets		808,019,315	681,371,571	811,017,054	689,780,550
LIABILITIES					
Non-current liabilities					
Loans and borrowings	26	643,834	1,253,406	630,965	1,042,554
Employee benefit obligations	29	2,517,082	2,194,303	2,234,483	1,941,498
Deferred income	28	-	872,966	-	867,313
Provisions	27.1	3,933,884	2,859,365	2,805,706	1,492,476
Deferred tax liabilities	13.5	58,140,594	30,176,337	49,605,447	21,656,781
Total non-current liabilities		65,235,394	37,356,377	55,276,601	27,000,622
Current liabilities					
Loans and borrowings	26	855,776	24,991,106	1,607,429	23,656,807
Deferred income	28	53,934	162,110	-	113,829
Trade and other payables	30	165,108,001	100,955,004	169,650,003	113,198,553
Contract liabilities	31	106,952,425	74,982,644	102,000,702	68,958,839
Provisions	27.2	1,765,097	2,212,705	1,505,246	1,895,936
Current tax liabilities	13.3	6,303,871	5,659,760	5,318,616	4,835,627
Total current liabilities		281,039,104	208,963,329	280,081,996	212,659,591
Total liabilities		346,274,498	246,319,706	335,358,597	239,660,213
EQUITY					
Share capital	23	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	23.1	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings		272,671,244	245,978,292	226,133,807	200,595,685
Other reserves arising on business combination and re-organisations	25	(254,129,057)	(254,129,057)	(193,677,979)	(193,677,979)
Capital and reserves attributable to owners		461,744,817	435,051,865	475,658,458	450,120,336
Total equity		461,744,817	435,051,865	475,658,458	450,120,336
Total equity and liabilities		808,019,315	681,371,571	811,017,054	689,780,550

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 19th December 2024 and were signed on its behalf by:


Gbenga Oyebode, MFR
Chairman


Lolu Alade-Akinyemi
Group Managing Director/CEO


Puneet Sharma
Chief Financial Officer*

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Lafarge Africa Plc

Consolidated Statement of Changes in Equity for the nine month period ended 30 September 2024

Group	Attributable to equity holders of the parent				Total equity R'000
	Share capital R'000	Share premium R'000	Retained earnings R'000	Other reserves arising on business combination and re- organisations** R'000	
Balance as at 1 January 2023	8,053,899	435,148,731	227,028,432	(254,129,057)	416,102,005
Profit for the period ended 30 September 2023	-	-	39,304,655	-	39,304,655
Total comprehensive income for the period	-	-	39,304,655	-	39,304,655
Balance as at 30 September 2023	8,053,899	435,148,731	266,333,087	(254,129,057)	455,406,660
Profit for the period (1 October 2023 to 31 December 2023)	-	-	11,836,415	-	11,836,415
Other comprehensive income (net of tax)	-	-	3,688	-	3,688
Total comprehensive income for the period	-	-	11,840,103	-	11,840,103
Profit arising from business combination	-	-	20,696	-	20,696
Transaction with owners:					
Dividends declared			(32,215,592)		(32,215,592)
Total transaction with owners	-	-	(32,194,896)	-	(32,194,896)
Balance as at 31 December 2023	8,053,899	435,148,731	245,978,294	(254,129,057)	435,051,868
Balance as at 1 January 2024	8,053,899	435,148,731	245,978,294	(254,129,057)	435,051,868
Profit for the period ended 30 September 2024	-	-	57,297,762	-	57,297,762
Total comprehensive income for the period	-	-	57,297,762	-	57,297,762
Transaction with owners:					
Dividends declared	-	-	(30,604,812)	-	(30,604,812)
Total transaction with owners	-	-	(30,604,812)	-	(30,604,812)
Balance as at 30 September 2024	8,053,899	435,148,731	272,671,244	(254,129,057)	461,744,817

**Other reserves arising on business combination relates to profit originated from business combination.

***Profit arising from business combination is attributable to the retained earnings of Wapsila.

Lafarge Africa Plc

Separate Statement of Changes in Equity for the nine month period ended 30 September 2024

Company

	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 as at 1 January 2023	8,053,899	435,148,731	184,751,152	(193,677,979)	434,275,803
Profit for the period ended 30 September 2023	-	-	38,000,017	-	38,000,017
Total comprehensive income for the period	-	-	38,000,017	-	38,000,017
Balance as at 30 September 2023	8,053,899	435,148,731	222,751,169	(193,677,979)	472,275,820
Profit for the period (1 October 2023 to 31 December 2023)	-	-	10,056,419	-	10,056,419
Other comprehensive income (net of tax)	-	-	3,688	-	3,688
Total comprehensive income for the period	-	-	10,060,108	-	10,060,108
Transaction with owners:					
Dividends declared	-	-	(32,215,592)	-	(32,215,592)
Total transaction with owners	-	-	(32,215,592)	-	(32,215,592)
Balance as at 31 December 2023	8,053,899	435,148,731	200,595,685	(193,677,979)	450,120,335
Balance as at 1 January 2024	8,053,899	435,148,731	200,595,685	(193,677,979)	450,120,335
Profit for the period ended 30 September 2024	-	-	56,142,935	-	56,142,935
Total comprehensive income for the period	-	-	56,142,935	-	56,142,935
Transaction with owners:					
Dividends declared	-	-	(30,604,812)	-	(30,604,812)
Total transaction with owners	-	-	(30,604,812)	-	(30,604,812)
Balance as at 30 September 2024	8,053,899	435,148,731	226,133,807	(193,677,979)	475,658,458

**Other reserves arising on business combination relates to profit originated from business combination.

Lafarge Africa Plc

Consolidated and Separate Statements of Cash Flows for the 9 month period ended 30 September 2024

		Group		Company	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
	Notes	₦'000	₦'000	N'000	₦'000
Cash flows from operating activities:					
Profit for the period		57,297,762	39,304,655	56,142,935	38,000,017
Adjustments to reconcile profit for the period to net cash flows:					
Depreciation		15.5	21,557,775	20,457,391	19,145,832
Amortization of intangible assets		16	69,216	14,994	7,122
Other non-cash items		32.3	(1,052,941)	521,808	164,895
Net unrealized foreign exchange movement			520,812	231,020	520,812
Finance costs		12(b)	15,498,554	2,142,731	15,367,225
Finance income		12(a)	(1,028,738)	(3,373,884)	(725,398)
Income tax expense		13	34,250,071	21,851,700	33,444,633
Provisions and net movement on employee benefits		32.2	(332,546)	1,916,633	(379,682)
Change in net working capital		32.1	(79,182,141)	14,202,142	(80,453,212)
Cash flows generated from operations			47,597,824	97,269,190	43,235,163
Income taxes paid		13.3	(5,518,556)	(3,802,646)	(4,424,692)
Net cash flows generated from operating activities			42,079,268	93,466,544	38,810,471
Cash flows from investing activities					
Acquisition of property, plant and equipment		15.1	(49,948,048)	(22,788,652)	(42,714,246)
Interest income received			1,028,738	3,373,884	725,398
Proceeds from disposal of property, plant and equipment		32.3	1,587,315	577,291	95,000
Net cash flows used in investing activities			(47,331,995)	(18,837,477)	(41,893,848)
Cash flows from financing activities					
Interest paid			(13,521,680)	(1,584,203)	(13,344,394)
Dividend paid to equity holders of the company		30.3	(30,604,812)	(35,906,456)	(30,604,812)
Proceeds from loans and borrowings		26.4	685,310	7,889,209	685,310
Repayment of lease liabilities		26.4	(1,134,340)	(1,721,097)	(1,134,340)
Repayment of loans and borrowings		26.4	(25,955,210)	(3,434,194)	(23,753,765)
Net cash flows used in financing activities			(70,530,732)	(34,756,741)	(68,152,001)
Net (decrease) / increase in cash and cash equivalents			(75,783,459)	39,872,326	(71,235,378)
Cash and cash equivalents at the beginning of the period			165,844,333	116,761,553	156,410,557
Effects of exchange rate changes on cash and cash equivalents			(2,172,717)	(1,993,667)	(1,781,261)
Cash and cash equivalents at the end of the period		22.2	87,888,157	154,640,212	83,393,918
					145,023,149

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

1 Reporting entity

Lafarge Africa Plc (Lafarge Africa) was incorporated in Nigeria on 24 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 Ltd (AshakaCem) and Atlas Cement Company Limited (Atlas). The Company's shares in Lafarge South Africa Holdings (Proprietary) Limited (LSAH) were subsequently disposed off in 2019. 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 15 July 2016, Lafarge S.A. France and Holcim Limited, Switzerland, two large global players, merged to form LafargeHolcim Group, based in Zug, 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 Group's subsidiaries are as stated below;

30 September 2024	31 December 2023	30 September 2023
AshakaCem Limited Wapsila Nigeria Limited	AshakaCem Limited Wapsila Nigeria Limited	AshakaCem Limited Wapsila Nigeria Limited

These consolidated and separate financial statements cover the financial period from 1 January 2024 to 30 September 2024, with 30 September 2023 and 31 December 2023 as comparative for Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position, respectively.

1.1 Shareholding structure

Description	30 September 2024		30 September 2023	
	Units	Percentage	Units	Percentage
Issued Share Capital	16,107,795,721	100%	16,107,795,721	100%
Substantial Shareholdings (5% and above)				
Names of Shareholders				
Caricement BV	9,027,365,874	56.04%	9,027,365,874	56.04%
Associated Intl Cement Ltd U.K	4,473,044,718	27.77%	4,473,044,718	27.77%
Total Substantial Shareholdings	13,500,410,592	83.81%	13,500,410,592	83.81%

Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
Name(s) of Directors				
Mr. Gbenga Oyebode, MFR	-	-	-	-
Mr. Lolu Alade-Akinyemi	-	-	-	-
Mrs. Elenda Giwa-Amu	203,550	0.0015%	203,550	0.0015%
Mrs. Adenike Ogunlesi	-	-	-	-
Mr. Khaled Abdel Aziz El Dokani (Egyptian)	-	-	-	-
Mrs. Oyinkan Adewale (FCA)	-	-	-	-
Mr. Kaspar Theiler (Swiss)	-	-	-	-
Mr. Grant Earnshaw (British) (appointed w.e.f 27 February 2024)	-	-	-	-
Mrs. Claudia Albertini (Italian)	-	-	-	-
Mrs. Olusola Oworu (appointed w.e.f 25 July 2024)	-	-	-	-
Mr Taner Demir (appointed w.e.f 26 July 2024)	-	-	-	-
Mrs. Karine Uzan Mercie (French) (resigned w.e.f 25 July 2024)	-	-	-	-
Total Directors' Shareholdings	203,550	0.0015%	203,550	0.0015%
Total Other Influential Shareholdings	5,093,271	0.03%	5,093,271	0.03%
Free Float in Unit and Percentage	2,602,088,308	16.16%	2,602,088,308	16.16%
Free Float in Value (NGN)	₦94,455,805,580		₦76,501,396,255	

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

Declaration:

- (A) Lafarge Africa Plc with a free float value of ₦94,455,805,580 as at 30 September 2024 is compliant with The Exchange's free float requirements for companies listed on the Main Board.
- (B) Lafarge Africa Plc with a free float value of ₦76,501,396,255 as at 30 September 2023 is compliant with The Exchange's free float requirements for companies listed on the Main Board.

1.2 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Lafarge Africa Plc maintains a Security Trading Policy which guides directors, audit committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period under review.

2.1 Basis of accounting

i) Compliance with IFRS

These consolidated and separate financial statements of Lafarge Africa Plc have been prepared to comply with the requirements of IAS 34 in accordance with IFRS Accounting 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 Amendment Act, 2023. Details of the Group and Company's accounting policies, including changes thereto are included in Note 2.2.2.

ii) 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 30 September 2024 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 2024 together with the assessment of their impact on the Group's consolidated financial statements.

1 Amendments to IFRS 16 : Lease Liability in a sale and Leaseback

The amendments became effective for annual reporting periods beginning on 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.

2 Amendments to IAS 1: Classification of Liabilities as current or non-current

The amendments became effective for annual reporting periods beginning on 1 January 2024. Under the amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g., convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants. The amendment does not have a significant impact on the Group's financial statements.

3 Supplier Finance Arrangements- Amendments to IAS 7 and IFRS 7

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. 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, cashflows and exposure to liquidity risk. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

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. The Group will assess the impact of the adoption of these amendments on the financial statements in their year of initial application

A. Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

The Amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

These disclosures might include: the nature and financial impacts of the currency not being exchangeable; the spot exchange rate used; the estimation process; and risks to the company because the currency is not exchangeable.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:

The Amendments apply for reporting periods beginning on or after 1 January 2026. Early adoption is permitted. The highlights of the Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer: The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system. Classification of financial assets:

Contractual terms that are consistent with a basic lending arrangement. The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Assets with non-recourse features. The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures:

Investments in equity instruments designated at fair value through other comprehensive income. The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. Contractual terms that could change the timing or amount of contractual cash flows. The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

C. IFRS 18 Presentation and Disclosure in Financial Statements

The amendment apply for reporting periods on or after 1 January 2027. Early adoption is permitted.

Assess the impacts on your financial statements – including new judgements.

• Communicate the impacts with investors.

• Consider how the new requirements impact financial reporting systems, processes and controls.

• Monitor any changes in the local reporting landscape.

D. IFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendment apply for reporting periods on or after 1 January 2027. Early adoption is permitted. The IASB intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued. IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date

E. Annual Improvements to IFRS Accounting Standards - Volume 11.

This contains amendments to five standards as result of the IASB's annual improvements project. The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

Amendments to:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;

IFRS 9 Financial Instruments;

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash flows

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied. The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price.

The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

Amendments to IFRS 10 and IAS 28:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

2.3 Summary of material accounting policies

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. Lafarge Africa Plc Group has consistently apply the same accounting policie and method of computation in its interim consolidated and separate financial statements as in its annual financial statements.

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 recognised in profit or loss.

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.

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.

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 and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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-value assets

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.

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.

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.

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

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 3 years 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.

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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 34.

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 13.5.

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 27.1.

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 21.2.

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 29.

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.

(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 a 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	
	9months ended 30/09/2024	9months ended 30/09/2023	3months ended 30/09/2024	3months ended 30/09/2023
	N'000	N'000	N'000	N'000
Impairment loss on trade receivables arising during the period	(223,146)	31,714	(75,718)	63,160
	(223,146)	31,714	(75,718)	63,160

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	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Trade receivables - Net (Note 21)	4,113,489	5,068,706	12,357,915	4,898,218
Other receivables (Note 21)	4,814,082	2,801,133	47,562,875	44,331,029
Other financial assets (Note 18)	49,545,220	256,050	43,777,187	248,356
Cash and cash equivalents (Note 22)	90,460,501	168,369,604	85,229,744	158,246,383
	148,933,292	176,495,493	188,927,721	207,723,986

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

Trade receivables:

Trade receivables are further broken down into:

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Neither past due nor impaired				
0 - 30 days	2,548,009	2,963,984	8,754,632	2,971,752
Past due				
The ageing of amounts past due is as follows:				
31 - 60 days	516,226	1,334,713	1,550,868	1,277,272
61 - 90 days	287,076	456,352	862,445	339,987
91-120 days	105,197	246,980	316,037	242,218
121-150 days	108,247	19,154	325,199	66,989
above 150 days	548,734	47,523	548,734	-
	1,565,480	2,104,722	3,603,283	1,926,466

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Impaired

Credit impaired	903,095	679,949	689,125	613,407
Total amount exposed to credit risk (Gross)	5,016,584	5,748,655	13,047,040	5,511,625
Impairment allowance (Note 21.2)	(903,095)	(679,949)	(689,125)	(613,407)
Total amount exposed to credit risk (Net)	4,113,489	5,068,706	12,357,915	4,898,218

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 21.2.

Expected credit loss assessment for corporate customers as at 30 September 2024

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 30 September 2024	Historical loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.13%	2,924,479	3,703	No
31-60	1.90%	629,561	11,961	No
61-90	11.31%	350,102	39,612	No
91-120	52.00%	128,292	66,712	No
121-150	62.40%	132,014	82,372	No
Over 150days	82.00%	852,138	698,734	Yes
		5,016,584	903,095	

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	49,465	No
Over 150days	94.71%	653,867	619,273	Yes
		5,748,655	679,949	

Company

As at 30 September 2024	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
		N'000	N'000	
0-30	0.02%	9,242,823	1,911	No
31-60	0.38%	1,637,350	6,174	No
61-90	2.25%	910,538	20,447	No
91-120	10.32%	333,660	34,436	No
121-150	22.55%	343,334	77,424	No
Over 150days	94.72%	579,334	548,734	Yes
		13,047,040	689,125	

As at 31 December 2023	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
		N'000	N'000	
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
120-150	32.24%	77,996	25,148	No
Over 150days	97.61%	592,643	578,502	Yes
		5,511,625	613,407	

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

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 (2023: 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.

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

Group

30 September 2024	Carrying amount	Contractual cash flows	0 - 12 months	1-3 years	Above 3 years
	N'000	N'000	N'000	N'000	N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings*	651,225	659,334	659,334	-	-
Accrued interest on short term loan	-	-	-	-	-
Lease liabilities	790,727	941,680	654,298	170,519	116,863
Trade and other payables**	155,396,685	155,396,685	155,396,685	-	-
	160,286,345	160,478,018	160,190,636	170,519	116,863
31 December 2023	Carrying amount	Contractual cash flows	0 - 12 months	1-3 years	Above 3 years
	N'000	N'000	N'000	N'000	N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings*	24,636,238	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**	99,628,818	99,628,818	99,628,818	-	-
	125,671,509	128,566,499	127,140,937	1,047,757	377,805

* 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.

Company

30 September 2024	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings*	-	-	-	-	-
Lease liabilities	707,547	902,372	614,990	170,519	116,863
Trade and other payables**	159,896,441	159,896,441	159,896,441	-	-
	161,646,542	161,841,367	161,553,985	170,519	116,863

31 December 2023	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings*	21,889,006	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**	111,990,491	111,990,491	107,261,684	-	-
	135,276,914	138,240,951	132,300,102	834,237	377,805

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.

* 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.

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	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
<i>Naira denominated fixed rates</i>				
Power Fund (7%, 5%)	651,225	1,082,251	-	-
Accrued interest on short term loan	-	-	-	-
Lease liabilities (7.95% - 17.8%)	848,385	1,608,274	809,077	1,599,238
Short term bank loans (7% - 12.0% p.a)	-	23,553,987	-	21,889,006
Total	1,499,610	26,244,512	809,077	23,488,244

(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.

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Foreign currency denominated balances

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	000	000	000	000
US Dollar				
Financial assets				
Cash and cash equivalents	28,229	7,222	23,054	7,126
Financial liabilities				
Borrowings	-	(14,572)	-	(14,099)
Trade and other payables	(13,715)	(13,266)	(13,715)	(8,976)
Net financial (liabilities)/asset	14,514	(20,616)	9,339	(15,949)
Euro				
Financial assets				
Cash and cash equivalents	14,289	(21)	14,289	(21)
Financial liabilities				
Borrowings	-	(2,577)	-	(1,949)
Trade and other payables	(5,772)	(4,696)	(5,772)	(4,369)
Net financial (liabilities)/asset	8,517	(7,294)	8,517	(6,339)
GBP				
Financial assets				
Cash and cash equivalents	729	5	729	5
Financial liabilities				
Borrowings	-	(506)	-	(381)
Trade and other payables	(398)	(295)	(384)	(123)
Net financial (liabilities)/asset	331	(795)	345	(499)
CHF				
Financial liabilities				
Trade and other payables	(865)	(165)	(865)	(165)
	(865)	(165)	(865)	(165)
ZAR				
Financial liabilities				
Trade and other payables	(437)	(378)	(437)	100
Net financial (liabilities)/asset	(437)	(378)	(437)	100

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 30 September 2024. 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:

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	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
US Dollar				
Increase in exchange rate by 21%	4,565,680	(3,774,478)	2,937,806	(2,919,949)
Decrease in exchange rate by 21%	(4,565,680)	3,774,478	(2,937,806)	2,919,949
Euro				
Increase in exchange rate by 21%	2,912,905	(1,444,389)	2,912,905	(1,255,221)
Decrease in exchange rate by 21%	(2,912,905)	1,444,389	(2,912,905)	1,255,221
GBP				
Increase in exchange rate by 21%	133,520	(181,076)	139,087	(113,733)
Decrease in exchange rate by 21%	(133,520)	181,076	(139,087)	113,733
CHF				
Increase in exchange rate by 21%	(1,912)	(365)	(1,912)	(365)
Decrease in exchange rate by 21%	1,912	365	1,912	365
ZAR				
Increase in exchange rate by 21%	(7,492)	(3,749)	(7,492)	995
Decrease in exchange rate by 21%	7,492	3,749	7,492	(995)

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 30 September 2024 and 31 December 2023 were as follows:

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Total borrowings	1,499,610	26,244,512	2,238,394	24,699,361
Less: Cash and cash equivalents excluding bank overdrafts	90,460,501	168,369,604	85,229,744	158,246,383
Net (cash)/ debt	(88,960,891)	(142,125,092)	(82,991,350)	(133,547,022)
Total equity	461,744,817	435,051,865	475,658,458	450,120,336
Total capital	372,783,926	292,926,773	392,667,108	316,573,314
Gearing ratio	(0.19)	(0.33)	(0.17)	(0.30)

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.

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	Group			
	30 September 2024		31 December 2023	
	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	4,113,489	4,113,489	12,357,915	12,357,915
Financial assets	49,545,220	49,545,220	256,050	256,050
Cash and cash equivalents	90,460,501	90,460,501	168,369,604	168,369,604
<i>Financial Assets classified at fair value through profit or loss:</i>				
Derivative assets	-	-	-	-
Financial Liabilities				
<i>Financial liabilities classified at amortised cost</i>				
Trade and other payables**	155,396,685	155,396,685	94,900,011	99,628,818
Bank overdraft	-	-	-	-
Borrowings	1,499,610	1,499,610	26,244,512	26,244,512
<i>Financial liabilities classified at fair value through profit or loss</i>				
Derivative liabilities	-	-	-	-
	Company			
	30 September 2024		31 December 2023	
	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*	57,154,877	57,154,877	49,229,247	49,229,247
Financial assets	43,777,187	43,777,187	6,321,709	248,356
Cash and cash equivalents	85,229,744	85,229,744	158,246,383	158,246,383
<i>Financial Assets classified at fair value through profit or loss</i>				
Derivative assets	-	-	-	-
Financial Liabilities				
<i>Financial liabilities classified at amortised cost</i>				
Trade and other payables**	159,896,441	159,896,441	107,261,684	111,990,491
Bank overdraft	-	-	-	-
Borrowings	2,238,394	2,238,394	24,699,361	24,699,361
<i>Financial liabilities classified at fair value through profit or loss</i>				
Derivative liabilities	-	-	-	-

*Trade and other receivables excludes WHT receivables, staff receivables and receivables from registrar

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

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

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5.1 Segment Information by Product line

	External revenue		Elimination	Gross revenue	
	30 Sep 2024	31 Dec 2023		30 Sep 2024	31 Dec 2023
	N'000	N'000	N'000	N'000	N'000
Cement	432,694,822	392,571,558	(4,564,104)	437,542,932	397,769,120
Readymix and other products	12,894,315	12,931,154	(141,043)	12,894,315	12,931,154
Wapsila	445,986	-		445,986	-
Total	446,035,123	405,502,712	(4,705,147)	450,883,233	410,700,274

Revenue from internal customers of N4.7 billion (2023:N5.2 billion) has been eliminated on consolidation.

	30 September 2024		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Revenue	432,694,822	13,340,301	446,035,123
Cost of sales	(240,991,908)	(5,597,007)	(246,588,915)
Other Income	2,236,076	34,004	2,270,080
Other expenses	(74,056,252)	(1,062,959)	(75,119,211)
Operating profit	119,882,739	6,714,338	126,597,077
	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
	30 September 2024		
	Cement	Readymix and other products	Total
	N'000	N'000	N'000
Statement of financial position by segment:			
Property, plant & equipments	389,318,850	1,355,831	390,674,681
Other non current assets	148,752,791	-	147,078,686
Current assets	266,401,047	3,864,901	270,265,948
Total assets	804,472,688	5,220,732	808,019,315
Non current liabilities	64,430,547	804,847	65,235,394
Current liabilities	284,393,824	(3,354,720)	281,039,104
Net assets/(liabilities)	1,153,297,058	2,670,859	1,154,293,812
	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)	432,381,008	2,670,859	435,051,867

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	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000

6 Revenue

Sale of goods

479,941,897	289,081,398	445,730,179	264,967,798
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The following is an analysis of revenue by product **Timing of revenue recognition**

Cement	Point in time	466,266,181	279,768,480	432,500,449	255,915,793
Aggregates and concrete	Point in time	12,894,315	8,874,987	12,894,315	8,874,987
Other products (Note 6.1)	Point in time	781,401	437,931	335,415	177,018
		479,941,897	289,081,398	445,730,179	264,967,798

- 6.1 Other products represent revenue earned from the sale of mortar for the Company.

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000

7 Cost of sales by nature				
Production variable costs (Note 7.1)	163,650,466	87,125,108	147,430,332	81,630,403
Production fixed costs (Note 7.2)	32,080,724	19,706,419	23,781,627	15,118,409
Maintenance fixed costs (Note 7.3)	30,641,597	14,297,404	27,997,094	13,489,206
Depreciation (Note 15.5)	20,216,128	19,889,715	18,037,458	17,769,455
	246,588,915	141,018,646	217,246,511	128,007,473

7.1 Production variable costs

Included in production variables costs are costs of fuel, power, raw materials and consumables.

7.2 Production fixed costs

Included in production fixed costs are personnel expenses and electrical energy expenses.

7.3 Maintenance fixed costs

Included in maintenance fixed costs are of preventive maintenance of equipment, trucks etc

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000

8 Selling and distribution costs				
Distribution variable costs (Note 8.1)	67,596,329	48,479,772	65,390,671	44,393,892
Distribution fixed costs	7,301,493	7,819,098	6,152,025	4,437,634
Advertising expenses	1,137,909	1,077,971	1,137,909	1,077,971
Campaign and innovation expenses	18,608	9,758	18,608	9,758
Marketing staff salaries and other costs	3,659,124	3,448,383	3,652,302	3,448,383
	79,713,463	60,834,982	76,351,515	53,367,638

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8.1 Distribution variable costs

Included in distribution variable costs are diesel/gasoline, outbound freight and outsourced mining activities.

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
9 Administrative expenses by nature				
Salaries and other staff related costs	7,529,066	5,721,233	7,529,067	5,724,973
Advance payment of taxes and levies	2,350,000	1,386,413	2,349,999	1,386,413
Office and general expenses	9,561,277	5,753,114	9,521,690	4,647,951
Rent	370,591	118,409	370,591	118,409
Depreciation (Note 15.5)	1,341,647	567,676	1,108,374	439,410
Amortization of intangible assets	69,216	11,244	7,122	11,244
Technical service fees (Note 9.1)	7,840,103	4,852,187	7,840,103	4,852,187
	29,061,900	18,410,276	28,726,946	17,180,587

9.1 Technical service fees

Technical service fees are computed based on the ongoing technical service agreement. The technical service fee agreement is based on 3% of net sales subject to 5% of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA). The total technical service fees for the period ended 30 September 2024 for the Group and Company amounted to ₦7.8 billion and ₦7.8 billion, respectively (30 September 2023: ₦4.8 billion and ₦4.8 billion).

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
10 Other income				
Gain on disposal of property, plant and equipment (Note 10.1)	923,172	104,188	91,475	104,188
Government grants (Note 10.2)	981,142	202,754	981,142	83,049
Sale of scraps and other miscellaneous income (Note 10.3)	365,765	233,764	348,070	233,763
	2,270,079	540,706	1,420,687	421,000

10.1 Gain on disposal of property, plant and equipment

This represents gain on disposal of the Company's motor vehicles and land held by the Company.

10.2 Government grants

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

10.3 Sale of scrap 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	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
11 Impairment of receivables				
Impairment loss/(reversal) on trade receivables (Note 21.2)	(223,146)	31,714	(75,718)	63,160
Write back of other receivables over provision	(27,475)	(40,623)	-	(69,786)
	(250,621)	(8,909)	(75,718)	(6,626)

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	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
12 Finance income and costs				
a) Interest income under the effective interest method and other finance income:				
Interest income from short term fixed deposits and current accounts	1,028,738	3,373,884	725,398	3,183,544
	1,028,738	3,373,884	725,398	3,183,544
b) Finance costs:				
Interest on borrowings (Note 26.4)	(1,820,370)	(562,397)	(1,741,828)	(540,951)
Interest cost on employees' long service awards	(84,283)	(188,025)	(49,544)	(152,481)
Interest cost on defined benefit obligations	(364,288)	(14,700)	(364,288)	(14,700)
Bank charges**	(13,229,613)	(1,377,609)	(13,211,565)	(948,590)
Finance costs per Statement of Cash Flows	(15,498,554)	(2,142,731)	(15,367,225)	(1,656,722)
Foreign exchange loss	(20,579,428)	(9,424,089)	(20,520,781)	(9,255,214)
Finance costs per Statement of Profit or Loss and Other Comprehensive Income	(36,077,982)	(11,566,820)	(35,888,006)	(10,911,936)

**Bank charges represent letters of credit charges and other bank account operational charges.

13 Income tax expense

This note provides an analysis of the Group and Company's income tax expense.

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
Current taxation				
Company income tax	624,315	837,947	-	-
Minimum tax	2,322,074	1,473,407	2,322,074	1,473,407
Education tax	3,129,683	2,196,258	3,041,277	2,077,957
Capital gains tax	83,585	-	6,550	-
Police trust fund levy (Note 13.1)	3,010	2,589	2,920	2,544
Total current tax expense	6,162,667	4,510,201	5,372,820	3,553,908
Deferred taxation				
Origination of temporary differences	28,087,404	17,341,499	28,071,813	17,544,157
Tax expense	34,250,071	21,851,700	33,444,633	21,098,065

13.1 *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.

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13.2 Reconciliation of effective tax to statutory tax

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

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Profit before taxation	91,547,833	61,156,355	89,587,568	59,098,082
Tax calculated at statutory tax rate of 30%	27,464,350	18,346,907	26,876,271	17,729,425
Impact of disallowable expenses	3,569,443	1,305,946	3,517,616	1,288,139
Police trust fund levy	3,010	2,589	2,920	2,544
Capital gains tax	83,585	-	6,550	-
Education tax	3,129,683	2,196,258	3,041,277	2,077,957
Income tax expense recognized in profit or loss	34,250,071	21,851,700	33,444,633	21,098,065
Effective tax rate	37%	36%	37%	36%

13.3 Current tax liabilities

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Opening Balance	5,659,760	3,887,507	4,835,627	3,171,530
Charge for the period:				
Company income tax	624,315	1,067,574	-	-
Education tax	3,129,683	2,979,043	3,041,277	2,806,559
Capital gains tax	83,585	21,519	6,550	19,990
Police trust fund levy	3,010	2,439	2,920	2,326
Minimum tax	2,322,074	1,912,805	2,322,074	1,912,805
Under provision during the period	-	(408,481)	(465,139)	-
	11,822,427	9,462,406	9,743,308	7,913,210
Payment during the period	(5,518,556)	(3,802,646)	(4,424,692)	(3,077,583)
Closing Balance	6,303,871	5,659,760	5,318,616	4,835,627

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

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Current income tax liabilities paid (Note 13.3)	(5,518,556)	(3,802,646)	(4,424,692)	(3,077,583)
Total current income taxes paid	(5,518,556)	(3,802,646)	(4,424,692)	(3,077,583)

13.5 Deferred taxation

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

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Deferred tax assets	-	-	-	-
Deferred tax liabilities	(58,140,594)	(30,176,337)	(49,605,447)	(21,656,781)
Deferred tax liabilities net	(58,140,594)	(30,176,337)	(49,605,447)	(21,656,781)

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Group					
Deferred tax assets/(liabilities):	At 1 January 2024	Reclassification	(Charge)/ credit to P/L	(Charge)/ credit to OCI	At 30 September 2024
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(41,133,689)	-	(26,296,645)	-	(67,430,334)
Provisions and other liabilities	5,309,985	-	1,357,696	-	6,667,682
Employee benefit obligation	(306,040)	-	182,892	123,148	-
Unrealised exchange differences	5,953,407	-	(3,331,349)	-	2,622,058
Total deferred tax assets/(liabilities)	(30,176,337)	-	(28,087,404)	123,148	(58,140,594)
Deferred tax assets/(liabilities):	At 1 January 2023	Reclassification	(Charge)/ credit to P/L	(Charge)/ credit to OCI	At 31 December 2023
	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	-	5,309,985
Employee benefit obligation	(153,505)	(150,955)	-	(1,580)	(306,040)
Unrealised exchange differences	8,636,803	-	(2,683,397)	-	5,953,407
Total deferred tax assets/(liabilities)	(6,440,909)	(150,955)	(23,582,893)	(1,580)	(30,176,337)
Company					
Deferred tax assets/(liabilities):	At 1 January 2024	Reclassification	(Charge)/ credit to P/L	(Charge)/ credit to OCI	At 30 September 2024
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(31,738,192)	-	(26,796,528)	-	(58,534,720)
Provisions and other liabilities	4,193,118	-	1,466,017	-	5,659,135
Employee benefit obligation	(176,704)	-	53,558	123,146	-
Unrealised exchange differences	6,064,997	-	(2,794,859)	-	3,270,138
Total deferred tax assets/(liabilities)	(21,656,781)	-	(28,071,813)	123,146	(49,605,447)
Deferred tax assets/(liabilities):	At 1 January 2023	Reclassification	(Charge)/ credit to P/L	(Charge)/ credit to OCI	At 31 December 2023
	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
Employee benefit obligation	(51,975)	(123,149)	-	(1,580)	(176,704)
Unrealised exchange differences	8,200,027	-	(2,135,030)	-	6,064,997
Total deferred tax assets/(liabilities)	2,031,419	(123,149)	(23,563,470)	(1,580)	(21,656,781)

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.

14 Profit before taxation

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Profit before tax is stated after charging/(crediting):	91,547,833	61,156,355	89,587,568	59,098,082
Depreciation of property, plant and equipment (Note 15)	21,557,775	20,457,391	19,145,832	18,208,865
Amortisation of intangible assets (Note 9)	69,216	11,244	7,122	11,244
Technical service fees (Note 9)	7,840,103	4,852,187	7,840,103	4,852,187
Gain on disposal of PPE (Note 10)	923,172	104,188	91,475	104,188
Foreign exchange loss (Note 12b)	20,579,428	9,424,089	20,520,781	9,255,214
Interest income on current account (Note 12a)	(1,028,738)	(3,373,884)	(725,398)	(3,183,544)
Salaries and other staff related costs	7,529,066	5,721,233	7,529,067	5,724,973

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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
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
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	-	-	-	-	-	-	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 asset prepaid	-	-	-	-	-	-	-	170,807	170,807
Reclassification to inventories*	-	-	(1,341,895)	(36,846)	-	-	-	-	(1,378,741)
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
As at 1 January 2024	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
Construction expenditure	-	-	-	-	-	-	51,510,890	-	51,510,890
Reclassification from CWIP	-	16,280,198	9,150,668	-	8,554,303	-	(33,985,169)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	720,651	720,651
Reclassification from inventories	-	-	-	-	-	-	445,561	-	445,561
Disposals	(457,280)	(197,841)	(28,908)	-	(61,134)	-	-	-	(745,163)
As at 30 September 2024	14,666,044	138,230,108	391,724,497	1,952,626	21,044,187	1,981,857	92,403,725	35,243,646	697,246,689
Accumulated depreciation/impairment:									
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
Depreciation charge for the period	76,788	4,144,722	19,292,829	159,682	1,059,714	51,125	-	2,430,104	27,214,964
Disposals	-	-	(683,378)	-	(219,823)	-	-	-	(903,201)
As at 31 December 2023	5,027,879	44,560,492	178,924,678	1,416,659	4,489,822	1,888,883	16,144,134	34,423,967	286,876,515
As at 1 January 2024	5,027,879	44,560,492	178,924,678	1,416,659	4,489,822	1,888,883	16,144,134	34,423,967	286,876,515
Depreciation charge for the period	730,233	4,604,917	13,311,617	98,965	1,897,090	28,555	-	886,398	21,557,775
Disposals	(2,298)	-	(17,588)	-	(61,134)	-	-	-	(81,020)
As at 30 September 2024	5,755,814	49,165,409	192,218,707	1,515,624	6,325,778	1,917,438	16,144,134	35,310,365	308,353,270
Net book value:									
As at 30 September 2024	8,910,230	89,064,699	199,505,790	437,002	14,718,409	64,419	76,259,591	(66,720)	388,893,419
As at 31 December 2023	10,095,445	77,587,259	203,678,059	535,967	8,061,195	92,974	58,288,308	1,880,290	360,219,496
As at 1 January 2023	10,156,848	77,892,421	205,253,730	615,782	3,732,644	144,099	38,836,332	3,095,463	339,727,319

*Reclassification of spares initially classified as plant and machinery to inventory

**See Note 15.6 for details on right of use assets

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15 Property, plant and equipment (Cont'd)

Company	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	Construction Work in Progress	**Right of use assets	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
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	-	-	-	-	-	-	43,098,711	-	43,098,711
Reclassification from CWIP	35,388	3,839,453	16,970,589	116,713	5,080,274	-	(26,042,417)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	1,549,123	1,549,123
Right of use asset prepaid	-	-	-	-	-	-	-	170,807	170,807
Reclassification to inventories*	-	-	(1,341,891)	-	-	-	-	-	(1,341,891)
Disposals	(20,001)	-	(268,458)	-	(218,113)	-	-	-	(506,571)
Modification of right of use assets	-	-	-	-	-	-	-	(505,000)	(505,000)
As at 31 December 2023	7,862,512	102,926,343	344,521,634	1,368,918	10,881,579	1,587,753	44,780,875	35,642,144	549,571,757
As at 1 January 2024	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
Capital expenditure	-	-	-	-	-	-	43,943,738	-	43,943,738
Construction expenditure capitalized	-	16,280,198	9,020,428	-	8,554,303	-	(33,854,929)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	699,410	699,410
Reclassification from inventories	-	-	-	-	-	-	5,059	-	5,059
Disposals	(2,498)	-	(20,914)	-	(61,134)	-	-	-	(84,545)
As at 30 September 2024	7,860,014	119,206,541	353,521,147	1,368,918	19,374,748	1,587,753	54,874,743	36,341,554	594,135,419
Accumulated depreciation/Impairment:									
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
Depreciation charge for the period	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
As at 1 January 2024	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
Depreciation charge for the period	35,401	3,011,971	13,311,617	84,182	1,787,718	28,555	-	886,387	19,145,832
Disposals	(2,298)	-	(17,588)	-	(61,134)	-	-	-	(81,020)
As at 30 September 2024	5,020,389	39,020,208	174,407,208	938,226	5,436,737	1,409,554	12,394,270	34,648,253	273,274,846
Net book value:									
As at 30 September 2024	2,839,625	80,186,333	179,113,939	430,692	13,938,011	178,199	42,480,473	1,693,301	320,860,573
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 1 January 2023	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

*Reclassification of spares initially classified as plant and machinery to inventory

**See Note 15.6 for details on right of use assets

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

15.1 Reconciliation of acquisition of property, plant and equipment in the Statements of Cash Flows:

	Group		Company	
	9 months ended 30/09/2024	9 months ended 30/09/2023	9 months ended 30/09/2024	9 months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
Acquisition of property, plant and equipment	51,510,890	22,994,076	43,943,738	21,105,178
Property, plant and equipment accrual movement	(1,562,842)	(205,424)	(1,229,492)	(770,379)
Cash paid for additional property, plant and equipments during the year	49,948,048	22,788,652	42,714,246	20,334,799

15.2 Impairment of property, plant and equipment

There is no impairment loss recognized during the period (2023: Nil)

15.3 Assets pledged as security

The Group has no assets pledged as security as at 30 September 2024 (31 December 2023: Nil).

15.4 Breakdown of construction work in progress

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	₦'000	₦'000	₦'000	₦'000
Buildings	5,184,521	10,124,708	4,946,660	10,124,708
Production plant	68,841,102	34,302,531	35,369,067	8,443,690
Motor vehicles	968,474	108,061	899,252	108,061
Computer equipment	121,090	226,873	121,090	184,012
Exploration and evaluation assets	1,144,404	13,526,134	1,144,404	13,526,134
	76,259,591	58,288,308	42,480,473	32,386,605

*For capital commitments, refer to Note 33. Construction work in progress are the Group's projects on maintaining and developing the plants and the office structure. There was no borrowing cost capitalized during the period.

15.5 Depreciation

Depreciation for the period, including that charged on right of use assets, has been allocated as follows:

	Group		Company	
	9 months ended 30/09/2024	9 months ended 30/09/2023	9 months ended 30/09/2024	9 months ended 30/09/2023
	₦'000	₦'000	₦'000	₦'000
Cost of sales (Note 7)	20,216,128	19,889,715	18,037,458	17,769,455
Administrative expenses (Note 9)	1,341,647	567,676	1,108,374	439,410
	21,557,775	20,457,391	19,145,832	18,208,865

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15.6 Right of Use Assets

Group	Leasehold Land R'000	Buildings R'000	Production Plant R'000	Motor Vehicles R'000	Total R'000
Cost:					
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
As at 1 January 2024	428,054	3,265,734	6,114,371	26,496,097	36,304,256
Additions**	-	-	-	720,651	720,651
Disposals	-	-	-	-	-
As at 30 September 2024	(1,694,003)	(3,343,339)	6,114,371	27,216,748	35,243,646
Accumulated depreciation:					
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
As at 1 January 2024	151,797	2,769,514	5,763,571	25,739,085	34,423,967
Depreciation charge for the period	35,487	380,440	128,456	342,004	886,398
As at 30 September 2024	187,284	3,149,954	5,892,027	26,081,089	35,310,365
Net book value:					
As at 30 September 2024	(1,881,298)	(6,493,293)	222,344	1,135,659	(7,016,588)
As at 31 December 2023	276,257	496,220	350,800	757,012	1,880,290
As at 1 January 2023	620,159	976,954	1,126,695	371,655	3,095,462

Company	Leasehold Land R'000	Buildings R'000	Production Plant R'000	Motor Vehicles R'000	Total R'000
Cost:					
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
Additions to Right of use assets	170,807	-	-	-	170,807
Modification of leases***	(505,000)	-	-	-	(505,000)
As at 31 December 2023	428,054	3,248,710	5,469,282	26,496,098	35,642,144
As at 1 January 2024	428,054	3,248,710	5,469,282	26,496,098	35,642,144
Additions**	-	-	-	699,410	699,410
As at 30 September 2024	428,054	3,248,710	5,469,282	27,195,508	36,341,554
Accumulated depreciation:					
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
As at 1 January 2024	151,797	2,752,491	5,118,493	25,739,085	33,761,865
Depreciation charge for the period	35,487	380,440	128,456	342,004	886,387
As at 30 September 2024	187,284	3,132,931	5,246,949	26,081,089	34,648,252
Net book value					
As at 30 September 2024	240,770	115,779	222,333	1,114,419	1,693,302
As at 31 December 2023	276,257	496,219	350,789	757,013	1,880,278
As at 1 January 2023	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 3-5 years.

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

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

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

16 Intangible assets

	Exploration and evaluation assets N'000	Group Computer Software N'000	Total N'000
Cost			
Balance as at 1 January 2023	1,959,013	4,823,863	6,782,876
Balance as at 31 December 2023	1,959,013	4,823,863	6,782,876
Balance as at 1 January 2024	1,959,013	4,823,863	6,782,876
Balance as at 30 September 2024	1,959,013	4,823,863	6,782,876
Accumulated Amortization			
Balance as at 1 January 2023	227,832	4,732,681	4,960,513
Charge for the period	30,594	48,448	79,042
Balance as at 31 December 2023	258,426	4,781,129	5,039,555
Balance as at 1 January 2024	258,426	4,781,129	5,039,555
Charge for the period	62,094	7,122	69,216
Balance as at 30 September 2024	320,520	4,788,251	5,108,771
Net book Value			
Balance as at 30 September 2024	1,638,493	35,612	1,674,105
Balance as at 31 December 2023	1,700,587	42,734	1,743,322
Balance as at 1 January 2023	1,731,181	91,182	1,822,363

	Company Computer Software N'000	Total N'000
Cost		
Balance as at 1 January 2023	3,323,900	3,323,900
Balance as at 31 December 2023	3,323,900	3,323,900
Balance as at 1 January 2024	3,323,900	3,323,900
Balance as at 30 September 2024	3,323,900	3,323,900
Accumulated Amortization		
Balance as at 1 January 2023	3,232,719	3,232,719
Charge for the period	48,448	48,448
Balance as at 31 December 2023	3,281,167	3,281,167
Balance as at 1 January 2024	3,281,167	3,281,167
Charge for the period	7,122	7,122
Balance as at 30 September 2024	3,288,289	3,288,289
Net book value		
Balance as at 30 September 2024	35,611	35,611
Balance as at 31 December 2023	42,733	42,733
Balance as at 1 January 2023	91,181	91,181

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

17 Interests in other entities

17.1 Investments in subsidiaries

The Group's principal subsidiaries at 30 September 2024 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.

30 September 2024

Name of entity	Principal activities	Place of Incorporation	Proportion	Cost
AshakaCem Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

31 December 2023

Name of entity	Principal Activities	Place of Incorporation	Proportion	Cost
AshakaCem Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
18 Other financial assets				
Cash backed letters of credit*	47,768,609	-	42,027,827	-
Accrued interest on unclaimed dividend	1,776,611	256,050	1,749,360	248,356
	49,545,220	256,050	43,777,187	248,356

*Note Cash backed letters of credit represent cash collateral to fund customer's letters of credit

19 Other assets

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	₦'000	₦'000	₦'000	₦'000
Non current	145,404,581	80,349,982	136,955,280	73,855,897
Current	20,735,483	8,222,664	19,696,361	7,508,475
	166,140,064	88,572,646	156,651,641	81,364,372
Advance payment to suppliers	13,135,411	5,618,619	12,254,868	5,175,081
Prepayment for gas (Note 19.1)	54,624,710	39,839,960	54,624,710	39,839,960
Prepaid rent	1,275,269	65,804	1,134,211	59,304
Prepaid insurance	4,518,730	2,736,692	4,501,210	2,040,762
Advance payment to transporters	82,353,260	34,015,937	82,353,260	34,015,932
Advance payment of taxes and levies	1,650,000	233,333	1,650,000	233,333
Letters of credit (Note 19.2)	8,449,303	6,062,301	-	-
	166,006,683	88,572,646	156,518,259	81,364,372

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

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.

19.2 Letters of credit

The balance represents funded letters of credit in respect of capital expenditure for which the transaction value still resides with the bank and is awaiting transmission to the foreign supplier. The balance has been classified as non-current due to uncertainty of the timing of the usage of the facility for the Ashaka debottlenecking project, which is currently on hold.

20 Inventories

	Group		Company	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
Raw materials	11,312,873	4,790,570	10,280,092	4,543,386
Work in progress	2,031,610	2,243,349	1,648,554	1,854,746
Semi finished & finished goods	29,182,824	12,522,752	19,784,978	8,584,960
Spare parts	47,919,786	23,912,799	41,897,888	19,935,984
Other supplies (Note 20.1)	10,150,080	10,871,145	7,023,129	6,461,793
	100,597,173	54,340,615	80,634,641	41,380,869

The cost of inventories recognised as an expense during the year and included in 'cost of sales' was N16.2 billion (2023: N43 billion) and N14.1 billion (2023: N38.3 billion) for the Group and Company respectively.

Total inventory write down recognised during the year was N20 billion (2023: N15.1 billion) and N10.8 billion (2023: N9.5 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 N8.5 billion and N 0.71 billion (2023: N4.9 billion and N0.62 billion) for Group and Company respectively and an obsolescence allowance of N11.5 billion and N10 billion (2023: N10.3 billion and N8.9 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	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
Trade receivables:				
Third party sales	5,016,584	5,748,655	4,301,718	5,227,619
Related party sales	-	-	8,745,322	284,006
	5,016,584	5,748,655	13,047,040	5,511,625
Impairment allowance on trade receivables (Note 2)	(903,095)	(679,949)	(689,125)	(613,407)
Net trade receivables	4,113,489	5,068,706	12,357,915	4,898,218
Other receivables (Note 21.1)	2,918,778	1,309,401	2,765,913	1,245,689
Due from related parties (Note 21.3)	1,895,304	1,491,732	44,796,962	43,085,340
Other short term receivables	4,814,082	2,801,133	47,562,875	44,331,029
Total trade and other receivables	8,927,571	7,869,839	59,920,790	49,229,247

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

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

21.1 Other receivables

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Withholding tax receivable	999,269	999,116	998,629	998,476
Receivable from registrar	942,079	202,096	942,079	202,096
Staff and other related receivables	977,430	108,189	825,205	45,117
	2,918,778	1,309,401	2,765,913	1,245,689

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.

21.2 Impairment allowance on trade receivables

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
At 1 January	679,949	711,663	613,407	676,567
Impairment loss provision/(write-back)	223,146	(31,714)	75,718	(63,160)
At Closing	903,095	679,949	689,125	613,407

21.3 Due from related parties

The balance for the company includes Intra-group and Inter-company receivables from operations ranging from employee recharge costs to other back end expenses. The Intra-group receivables have been eliminated in arriving at the Group figure. See Note 35.5 for

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Restricted cash (Note 22.1)	2,572,345	2,525,271	1,835,826	1,835,826
Cash at bank (Note 22.2)	87,888,157	165,844,333	83,393,918	156,410,557
Cash and cash equivalents in the Statement of Financial Position	90,460,501	168,369,604	85,229,744	158,246,383

22.1 Restricted cash

As at period end, cash and cash equivalents included restricted cash, which represents unclaimed dividend amounting to ₦2.57 billion and ₦1.84 billion (31 December 2023: ₦2.53 billion and ₦1.84 billion) for the Group and Company respectively.

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.

22.2 Cash and cash equivalents in the Statement of Cash Flows

	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	N'000	N'000	N'000	N'000
Cash at bank	87,888,157	154,640,212	83,393,918	145,023,149
Cash and cash equivalents in the Statement of Cash Flows	87,888,157	154,640,212	83,393,918	145,023,149

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23 Share capital

	Group		Company	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
Minimum Issued share capital:				
16,107,795,721 ordinary shares of 50k each	8,053,899	8,053,899	8,053,899	8,053,899
Issued and fully paid Ordinary shares of 50k each				
			No of shares '000	Share capital N'000
As at 1 January 2024			16,107,796	8,053,899
As at 30 September 2024			16,107,796	8,053,899
As at 1 January 2023			16,107,796	8,053,899
As at 31 December 2023			16,107,796	8,053,899

23.1 Share premium

	Share premium N'000
As at 1 January 2024	435,148,731
As at 30 September 2024	435,148,731
At 1 January 2023	435,148,731
As at 31 December 2023	435,148,731

24 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	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2024
Profit attributable to equity holders of the Company (N'000)	57,297,762	39,304,655	56,142,935	38,000,017
Number of ordinary shares in issue (Basic) ('000)	16,107,796	16,107,796	16,107,796	16,107,796
Basic earnings per share (Kobo)	356	244	349	236

25 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.

26 Loans and borrowings

	Group		Company	
	30 September 2024 N'000	30 September 2023 N'000	30 September 2024 N'000	30 September 2023 N'000
Non-current	643,834	1,253,406	630,965	1,042,554
Current	855,776	24,991,106	1,607,429	23,656,807
Total loans and borrowings	1,499,610	26,244,512	2,238,394	24,699,361
Split into:				
Power fund (Note 26.1)	651,225	1,082,251	-	-
Bank loans (Note 26.2)	-	23,553,987	-	21,889,006
Related party loan (Note 26.5)	-	-	1,429,317	1,211,117
Lease liabilities (Note 26.3)	848,385	1,608,274	809,077	1,599,238
Total loans and borrowings	1,499,610	26,244,512	2,238,394	24,699,361

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26.1 Power fund

Lafarge Africa Plc accessed ₦5.3 billion from the CBN/BOI Power and Aviation Intervention Fund in September 2013 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. The outstanding balance is fully amortized.

Ashakacem Ltd also accessed an additional ₦6.4 billion from the CBN/BOI intervention fund in March 2019 through Zenith Bank. The loan assessed amounted to ₦6.4 billion. Principal repayment commenced in December 2019. The facility has a 7.5-year tenure and an interest rate of 5% per annum. The outstanding balance, at amortized cost, amounts to ₦0.45 billion (2023: ₦1.08 billion) bringing the total balance in the Group's books to ₦0.45 billion (2023: ₦1.08 billion).

26.2 Bank loans

Bank loans represents letters of credit funded by banks for which Lafarge Africa Plc has the obligation to repay when the foreign exchange becomes available. There are no outstanding letters of credit facilities as at 30 September 2024

26.3 Lease liabilities

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
Maturity analysis				
Less than 1 year	654,298	481,538	614,990	472,502
Between one and two years	170,519	874,978	170,519	874,978
Between two and five years	102,192	161,080	102,192	161,080
Five years and above	14,671	90,678	14,671	90,678
	941,680	1,608,274	902,372	1,599,238
Analysed as				
Non current	670,953	1,126,736	663,327	1,126,736
Current	270,727	481,538	239,045	472,502
Total lease liabilities	941,680	1,608,274	902,372	1,599,238

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.

26.4 Movement in loans and borrowings

	Group ₦'000	Company ₦'000
As at 1 January 2024	26,244,512	24,699,361
Additions:		
Leases	685,310	685,310
	26,929,822	25,384,671
Interest expense	1,820,370	1,741,828
Interest paid on borrowings	(161,032)	-
Principal repaid	(25,955,210)	(23,753,765)
Repayment of lease liabilities	(1,134,340)	(1,134,340)
As at 30 September 2024	1,499,610	2,238,394
As at 1 January 2023	36,592,850	33,785,424
Additions:		
Leases	1,646,623	1,646,623
Loans received	25,095,999	24,657,174
	63,335,472	60,089,222
Interest expense	562,397	540,951
Interest paid on borrowings	(160,308)	(13,816)
Interest paid on leases	(304,999)	(304,999)
Principal repaid	(39,296,168)	(37,664,680)
Repayment of lease liabilities	(1,721,097)	(1,721,097)
Impact of modification of leases	(505,000)	(505,000)
Exchange (gain) / loss	4,334,215	4,278,780
As at 31 December 2023	26,244,512	24,699,361

26.5 Related party loan

The balance represents the accrued interest on a loan from AshakaCem Ltd to Lafarge Africa Plc. The principal was settled in March 2019. See Note 35.6 for details.

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

27 Provisions

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
Non current (Note 27.1)	3,933,884	2,859,365	2,805,706	1,492,476
Current (Note 27.2)	1,765,097	2,212,705	1,505,246	1,895,936
	5,698,981	5,072,070	4,310,952	3,388,412

27.1 Non current

	Group ₦'000	Company ₦'000
Site restoration cost		
As at 1 January 2024	2,859,365	1,492,476
Provision made	1,985,354	2,122,962
Payment / Utilized	(910,835)	(809,732)
As at 30 September 2024	3,933,884	2,805,706
As at 1 January 2023	2,718,462	1,389,034
Provision made	338,373	286,148
Payment / Utilized	(366,020)	(182,706)
Unwinding of discount	168,550	-
As at 31 December 2023	2,859,365	1,492,476

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 30.8% (2023: 29%) and 15% (2023: 15%) respectively.

27.2 Current

	Group ₦'000	Company ₦'000
Employee related provision		
As at 1 January 2024	2,212,705	1,895,936
Provision made during the period	1,833,590	1,631,932
Payment in the period	(2,281,198)	(2,022,622)
As at 30 September 2024	1,765,097	1,505,246
As at 1 January 2023	2,353,466	2,108,367
Provision made during the year	1,960,661	1,658,953
Payment in the year	(2,101,421)	(1,871,383)
As at 31 December 2023	2,212,705	1,895,936

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

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
28 Deferred income				
Non-current	-	872,966	-	867,313
Current	53,934	162,110	-	113,829
	53,934	1,035,076	-	981,142

Deferred income results from the benefit received from a below-market-interest rate government loan (CBN/BOI Intervention Fund loan). The revenue is recognized in profit or loss over the useful life of the asset financed with the loan.

29 Employee benefit obligations

Defined contribution plan – Pension

The employees of the Company, (Lafarge Africa Plc, and the subsidiary, AshakaCem Ltd,) are members of a state arranged Pension scheme (Pension Reform Act, 2014) regulated by the Nigerian government but managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions to the third party organizations, which are responsible for the financial and administrative management of the funds

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Defined benefits plan – Gratuity and Long Service Award

At 31 December 2015, the Group discontinued the gratuity scheme for all qualifying staff.

The plans represents an "In-house" gratuity for employees above 50 years of age and service of above 10 years. The retirement age is 60 years and no other post-retirement benefits are provided to these employees. This is a non-funded benefit scheme as the obligation is paid as and when due. The "in house" gratuity will be paid to qualifying staff when the two conditions are fully met. Long service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years the employee remains in service. Payments to employees are both in cash and in kind. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2023 by Deloitte & Touche Nigeria FRC/2022/COY/091021 (Takalani Sikhavhakhavha, FRC/2023/PRO/NAS/004/802144). The present value of the defined benefit obligation were measured using the Projected Unit Credit Method.

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
Non current				
Employee long service award scheme	2,212,169	1,953,620	1,929,570	1,700,815
Staff gratuities	304,913	240,683	304,913	240,683
	2,517,082	2,194,303	2,234,483	1,941,498

30 Trade and other payables

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
Trade payables	89,703,177	47,916,414	81,811,368	45,523,914
	89,703,177	47,916,414	81,811,368	45,523,914
Other payables:				
Related party - technical service fee (Note 30.1)	4,123,572	4,728,807	4,123,572	4,728,807
Related companies (Note 35.5)	6,088,829	6,550,237	29,236,382	28,955,034
Withholding tax payable	2,321,320	29,010	2,336,966	29,010
Value added tax payable	7,389,996	1,297,176	7,416,596	1,179,052
Accruals	7,447,075	9,927,625	7,449,529	9,383,282
Other liabilities (Note 30.2)	48,034,032	30,505,735	37,275,590	23,399,454
	75,404,824	53,038,590	87,838,635	67,674,639
	165,108,001	100,955,004	169,650,003	113,198,553

30.1 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.

30.2 Other liabilities

Included in the other liabilities are customers rebate provision (₦2.76 billion), litigation provision (₦0.39 billion), non income tax provisions (₦10 billion), capital expenditure (₦17.8 billion) and other provisions (₦6 billion).

30.3 Dividend payable to equity holders of the Company

	Group ₦'000	Company ₦'000
At 1 January 2024		
Dividend declared	30,604,812	30,604,812
Payment to the equity holders of the parent (Note 30.4)	(30,604,812)	(30,604,812)
As at 30 September 2024	-	-

30.4 Dividend paid

The following dividend was paid during the period:

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	₦'000	₦'000	₦'000	₦'000
Equity holders	30,604,812	47,288,742	30,604,812	47,288,742
Total	30,604,812	47,288,742	30,604,812	47,288,742

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31 Contract liabilities

	Group		Company	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	30 September 2023 N'000
Contract liabilities**	106,952,425	74,982,644	102,000,702	68,958,839
Opening balance	74,982,644	45,840,044	68,958,839	40,410,912
Additions during the period	553,978,963	464,920,237	544,228,191	445,817,981
Conversion to revenue during the period	(522,009,182)	(435,777,637)	(511,186,328)	(417,270,054)
Closing balance	106,952,425	74,982,644	102,000,702	68,958,839

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

32 Additional cash flow information

32.1 Working capital with adjustments after adjustment for non-cash movements:

	Group		Company	
	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
(Increase) / decrease in inventories	(46,702,119)	(183,926)	(39,253,772)	3,153,203
Increase in trade and other receivables	(834,586)	(818,074)	(10,615,825)	(10,218,909)
Increase in other assets	(78,007,921)	(1,255,453)	(75,727,772)	(21,649)
Increase in other financial assets	(49,289,170)	(3,311)	(43,528,831)	(2,493)
Increase in trade and other payables	62,590,155	25,260,564	54,757,446	27,841,076
Increase/ (decrease) in contract liabilities	31,969,781	(8,797,658)	33,041,863	(4,137,965)
Increase in current liabilities	644,111	-	482,989	-
Increase in provision	447,608	-	390,690	-
	(79,182,141)	14,202,142	(80,453,212)	16,613,263

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

	Group		Company	
	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
Movement in inventories	(46,256,558)	(183,926)	(39,253,772)	3,153,203
Reclassification to Property, plant and equipment	(445,561)	-	-	-
Movement as per the Statement of Cashflows	(46,702,119)	(183,926)	(39,253,772)	3,153,203

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

	Group		Company	
	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
Movement in trade and other receivables	(1,057,732)	(826,983)	(10,691,543)	(10,225,535)
Reclassification of Impairment provision on trade receivables (Note 21.2)	223,146	8,909	75,718	6,626
Movement as per the Statement of Cashflows	(834,586)	(818,074)	(10,615,825)	(10,218,909)

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

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Movement in other assets	(77,567,418)	(1,255,453)	(75,287,269)	3,117,165
Reclassification of prepayments for construction expenditure	(440,503)	-	(440,503)	-
Movement as per the Statement of Cashflows	(78,007,921)	(5,272,738)	(75,727,772)	(4,675,023)

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

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Movement in other financial assets	(49,289,170)	(3,311)	(43,528,831)	(2,493)
Movement as per the Statement of Cashflows	(49,289,170)	(3,311)	(43,528,831)	-

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

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Movement in trade and other payables	64,152,997	21,774,349	56,451,450	24,919,963
Reclassification of dividend payable	-	3,691,012	-	3,690,864
Accruals on Property plant and Equipment	(1,562,842)	(205,425)	(1,229,492)	(770,378)
Movement as per the Statement of Cashflows	62,590,155	25,259,936	54,756,819	27,840,449

32.2 Provisions and net movement on employee benefits

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Retirement benefit obligations - service cost	15,786	15,515	15,786	15,515
Retirement benefit obligations - plan	-	90,272	-	-
Employee long service award - service cost	212,189	106,379	108,135	95,965
Productivity bonus payment during the period (Note	(2,281,198)	(2,101,421)	(2,022,622)	(1,871,383)
Staff gratuity benefits paid	(35,937)	(48,690)	(35,937)	(48,690)
Employee long service award benefits paid	(76,976)	(240,242)	(76,976)	(240,242)
Provision for productivity bonus for the period	1,833,590	1,960,661	1,631,932	1,658,953
	(332,546)	(217,527)	(379,682)	(389,882)

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32.3 Other non cash items

	Group		Company	
	9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
	N'000	N'000	N'000	N'000
Gain on disposal of property, plant and equipment	(923,172)	(104,188)	(91,475)	(104,188)
Impairment loss on trade receivables (Note 11)	(223,146)	31,714	(75,718)	63,160
Movement in site restoration provision (Note 27.1)	1,074,519	837,659	1,313,230	201,734
Government grants (Note 10)	(981,142)	(202,754)	(981,142)	(83,049)
	(1,052,941)	562,431	164,895	77,657

33 Commitments for expenditure

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

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	30 September 2023
	N'000	N'000	N'000	N'000
Capital expenditure commitments				
Approved and contracted for	13,678,234	9,896,370	13,678,234	9,896,370
	13,678,234	9,896,370	13,678,234	9,896,370

34 Contingent liabilities

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	30 September 2023
	N'000	N'000	N'000	N'000
Lafarge Africa Plc				
Various litigations and claims (Note 34.1)	1,167,786	390,719	893,055	390,719
Letters of credit (Note 34.2)	-	24,657,175	-	23,422,629
Pension audit	2,100,442	2,100,442	2,100,442	2,100,442
	3,268,228	27,148,336	2,993,497	25,913,790

34.1 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 ₦1.17 billion and ₦893.06 million 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.

34.2 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. There are no contingent liabilities with respect to letters of credit as at period end.

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35 Related party transactions

35.1 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 shareholder.

The Company receives technical assistance from the majority shareholder which is paid for under the Industrial Franchise Agreement (See Note 9).

35.2 Subsidiaries

Subsidiaries are set out in Note 17.1.

35.3 Transactions with related parties

The following transactions occurred with related parties during the year:

Sales of goods and services	Group		Company	
	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
AshakaCem Limited	-	-	8,745,322	284,006
Total transaction value	-	-	8,745,322	284,006

Purchase of goods and services	Group		Company	
	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
Holcim Trading	11,060,441	4,628,434	11,060,441	4,628,434
Total transaction value	11,060,441	4,628,434	11,060,441	4,628,434

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

		Group		Company	
		9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000	9months ended 30/09/2024 N'000	9months ended 30/09/2023 N'000
Nature of transaction					
Others					
AshakaCem Limited	Recharges	-	-	8,501,451	3,681,325
Holcim Group Services Ltd	Services Related	8,786	-	8,786	-
Holcim Ltd	IT Services	3,787,890	901,254	3,787,890	901,254
Lafarge Cement Technical Center Vienna GmbH	Services Related	-	-	-	-
Holcim Trading S.A.	Fuel	11,060,441	4,628,434	11,060,441	4,628,434
Lafarge Cement Egypt S.A.E.	Employee Related	9,236	-	9,236.45	-

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		Group		Company	
		9months ended 30/09/2024	9months ended 30/09/2023	9months ended 30/09/2024	9months ended 30/09/2023
Others (Cont'd)	Nature of transaction	N'000	N'000	N'000	N'000
Holcim Technology Ltd	Technical Fees	7,840,103	4,852,187	7,840,103	4,852,187
Holcim (Maroc) S.A.	Fuel	-	-		
Lafarge Intern Serv Singapore	Employee Related	2,292,889	1,465,573	1,849,959	1,172,220
LafargeHolcim España, S.A.U.	Payroll and other personnel recharges	83,058	102,535	83,058	102,535
LafargeHolcim Investment Ltd	Payroll and other personnel recharges	151,321	216,468	151,321	216,468
Total transaction value		25,233,726	12,166,451	33,292,246	15,554,423

35.4 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	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
Trade receivables:				
AshakaCem Limited	-	-	8,745,322	284,006
	-	-	8,745,322	284,006
Technical fees:				
Lafarge S.A Paris	418,016	418,016	418,016	418,016
Holcim Technology Ltd	3,705,556	4,310,791	3,705,556	4,310,791
	4,123,572	4,728,807	4,123,572	4,728,807

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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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

35.5 Other receivables from and payables to related parties

Other receivables			Group		Company	
			30 September 2024	31 December 2023	30 September 2024	31 December 2023
			N'000	N'000	N'000	N'000
AshakaCem Limited	Subsidiary	Back end expenses and System, application & support cost	-	-	43,469,262	41,826,112
Lafarge S.A.	Fellow subsidiary	Back end expenses.	417,144	153,137	399,242	153,137
LafargeHolcim Energy Solutions	Fellow subsidiary	Back end expenses.				
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.	155,800		155,800	
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	921,724	1,188,505	344,547	956,000
Holcim Technology Ltd	Fellow subsidiary	Back end expenses.	428,111		428,111	
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.	-	150,090	-	150,090
			1,922,779	1,491,732	44,796,962	43,085,340
Other payables			Group		Company	
			30 September 2024	31 December 2023	30 September 2024	31 December 2023
			N'000	N'000	N'000	N'000
Lafarge S.A	Fellow subsidiary	Back end expenses.	574,743	1,034,639	574,743	1,089,986
Holcim technology limited	Fellow subsidiary	Back end expenses.	1,366,943	2,400,628	68,768	2,084,082
AshakaCem Limited	Subsidiary	Back end expenses.		-	26,003,164	24,353,201
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge MEA Building Materials S.A.E	Fellow subsidiary	Back end expenses.	-	309	-	309
Holcim Trading S.A.	Fellow subsidiary	Back end expenses.	2,530,588	1,106,616	1,017,080	378,848
Technical Center Europe-Africa	Fellow subsidiary	Back end expenses.		-		-
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.	1,353,766	-	1,353,766	-
Lafarge International Services Singapore Pte Ltd	Fellow subsidiary	Back end expenses.	132,475	860,437	88,546	708,609
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.		-		-
Holcim España, S.A.U.	Fellow subsidiary	Back end expenses.	111,078	135,956	111,078	135,956

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Notes to the Consolidated and Separate Financial Statements for the nine months ended 30 September 2024

Other payables (contd)			Group		Company	
			30 September 2024	31 December 2023	30 September 2024	31 December 2023
			N'000	N'000	N'000	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	-	176,799
Lafarge Cement Technical Center Vienna GmbH	Fellow subsidiary	Back end expenses.	-	8,762	-	8,762
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	9,236	215,838	9,236	8,483
Lafarge A&C Technical Service (Beijing) Co Ltd	Fellow subsidiary	Back end expenses.	-	15,641	-	-
Lafarge Asia Sdn Bhd (Asia Technical Center)	Fellow subsidiary	Back end expenses.	-	277,991	-	-
LafargeHolcim Investment Ltd	Fellow subsidiary	Back end expenses.	-	306,622	-	-
Wapsila Nigeria Limited	Fellow subsidiary	Investment	10,000	10,000	10,000	10,000
			6,088,829	6,550,237	29,236,382	28,955,034

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

35.6 Loans from related parties

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	N'000	N'000	N'000	N'000
AshakaCem Limited	-	-	1,429,317	1,211,117
	-	-	1,429,317	1,211,117

36 Events after the reporting period

Holcim announced that it has signed an agreement to sell its entire 83.81% in Lafarge Africa Plc to Huaxin Cement Limited. The transaction is expected to close in 2025, subject to customary and regulatory approvals. Except as disclosed above, there are no events which could have had a material effect on the financial position of the Group and the Company as at 30 September 2024 and Group and the company financial performance for the year ended that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

Other National Disclosures

Lafarge Africa Plc

Consolidated and Separate Value Added Statement for the period ended 30 September 2024

Group	9months ended 30/09/2024		9months ended 30/09/2023	
	N'000	%	N'000	%
Revenue	479,941,897	280	289,081,398	354
Bought in materials and services				
Local	(294,044,237)	(172)	(289,131,034)	(274)
Imported	(17,771,971)	(10)	(10,719,970)	18
Other income and finance income	3,298,817	2	3,914,590	2
Value added	171,424,505	100	105,498,238	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	43,268,914	25	23,467,020	23
To pay providers of capital:				
Interest on borrowings	15,049,983	9	1,940,006	1
To pay government:				
Income tax expense	34,250,071	20	21,851,700	2
Retained in the business				
To maintain and replace:				
Depreciation of property, plant and equipment	21,557,775	13	20,457,391	24
To augment reserves	57,297,762	33	39,304,655	51
Value added	171,424,505	100	105,498,238	100

Company	9months ended 30/09/2024		9months ended 30/09/2023	
	N'000	%	N'000	%
Revenue	445,730,179	281	264,967,798	340
Bought in materials and services				
Local	(271,494,092)	(171)	(155,865,542)	(221)
Imported	(17,732,384)	(11)	(9,618,547)	(21)
Other income and finance income	2,146,085	1	3,604,544	2
Value added	158,649,789	100	103,088,253	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	34,962,996	22	24,291,765	21
To pay providers of capital:				
Interest on borrowings	14,953,393	9	1,489,541	1
To pay government:				
Income tax expense	33,444,633	21	21,098,065	2
Retained in the business				
To maintain and replace:				
Depreciation of plant, property and equipment	19,145,832	12	18,208,865	21
To augment reserves	56,142,935	36	38,000,017	55
Value added	158,649,789	100	103,088,253	100

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Five Year Financial Summary for the period ended 30 September 2024

Group	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 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	272,671,244	245,978,292	227,028,432	189,487,103	170,579,540
Foreign currency translation reserve	-	-	-	-	(14,611)
Other reserves on business combination and re-organisation	(254,129,057)	(254,129,057)	(254,129,057)	(254,129,056)	(254,129,057)
Total equity	461,744,817	435,051,865	416,102,005	378,560,677	359,638,502
Represented by:					
Property, plant & equipment	390,674,681	360,219,496	341,458,500	338,721,748	348,328,150
Intangible assets	1,674,105	1,743,322	91,182	713,746	1,939,210
Investment in joint ventures	-	-	-	-	379,432
Other financial assets	-	-	-	-	964,796
Other assets	145,404,581	80,349,982	60,851,702	35,535,403	29,127,048
Deferred tax assets	-	-	2,031,419	15,292,417	23,404,073
Net current assets/(liabilities)	(10,773,156)	30,095,443	27,895,840	5,521,795	(24,484,811)
	526,980,211	472,408,243	432,328,643	395,785,109	379,657,898
Borrowings	(643,834)	(1,253,406)	(1,530,387)	(2,482,049)	(5,139,600)
Deferred tax liabilities	(58,140,594)	(30,176,337)	(8,472,328)	(9,116,700)	(9,401,523)
Provisions	(3,933,884)	(2,859,365)	(2,718,463)	(2,103,557)	(1,510,577)
Deferred income	-	(872,966)	(1,094,611)	(1,356,534)	(1,683,008)
Employee benefits obligation	(2,517,082)	(2,194,303)	(2,410,859)	(2,165,592)	(2,284,688)
Net assets	461,744,817	435,051,866	416,102,005	378,560,677	359,638,502
Net assets per share (Kobo)	2,867	2,701	2,568	2,350	2,233

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.

Lafarge Africa Plc

Five Year Financial Summary for the period ended 30 September 2024

Company	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 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	226,133,807	200,595,685	184,751,152	145,824,819	124,464,893
Foreign currency translation reserve	-	-	-	-	(14,611)
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	475,658,458	450,120,336	434,275,803	395,349,470	373,974,933
Represented by:					
Property, plant & equipment	320,860,573	295,361,723	276,696,636	273,704,651	287,447,215
Intangible assets	35,611	42,733	91,181	578,322	1,524,264
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
Other assets	136,955,280	73,855,897	57,167,949	32,699,442	28,657,973
Deferred tax assets	-	-	2,031,419	15,292,417	23,404,073
Net current assets/(liabilities)	9,176,727	43,953,737	39,356,202	14,016,327	(25,474,680)
	530,935,058	477,120,957	439,250,254	400,198,026	380,809,940
Borrowings	(630,965)	(1,042,554)	(529,850)	(709,077)	(2,774,394)
Provisions	(2,805,706)	(1,492,476)	(1,389,034)	(1,193,962)	(817,124)
Deferred tax liabilities	(58,140,594)	-	-	-	-
Deferred income	-	(867,313)	(1,012,843)	(1,123,575)	(1,234,307)
Employee benefits obligation	(2,234,483)	(1,941,498)	(2,042,726)	(1,821,942)	(2,009,182)
Net assets	467,123,312	471,777,118	434,275,801	395,349,470	373,974,933
Net assets per share (Kobo)	2,900	2,929	2,696	2,454	2,322

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.