

## Group (cont'd)

	Leasehold Land	Buildings	Production Plant	Capitalised Spares	Furniture	Motor Vehicles	Computer Equipment	Ancillary Plant & Machinery	Exploration and evaluation assets	Construction Work in Progress	**Right of use assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>As at 1 January 2019</b>	4,297,793	24,185,593	140,467,013	2,468,849	4,053,039	2,226,120	436,305	481,208	-	16,199,155	-	194,815,075
Arising from deconsolidation of Subsidiary	(27,623)	(4,272,830)	(43,336,044)	(239,503)	(2,408,972)	(126,194)	466,703	-	-	(55,021)	-	(49,999,484)
Charge for the year	531,639	3,523,589	13,600,939	318,030	120,009	374,492	161,763	-	145,343	-	10,721,565	29,497,370
Reclassification	15,999	(15,999)	-	-	-	-	-	-	-	-	-	-
Reclassification (to)/from inventories	-	-	(1,072,493)	-	-	-	-	-	-	-	-	(1,072,493)
Reclassifications to intangibles	(139,544)	5,271,064	(3,957,408)	(1,334,264)	(764,589)	724,720	401,471	(481,208)	-	-	-	(279,758)
On disposals	-	-	(44,945)	-	-	(149,221)	-	-	-	-	-	(194,166)
Write-offs	-	(150,573)	(214,372)	-	-	-	(77,175)	-	-	-	-	(442,120)
Impairment loss	-	-	389,911	-	-	-	-	-	-	-	-	389,911
<b>As at 31 December 2019</b>	4,678,264	28,540,844	105,832,601	1,213,112	999,487	3,049,917	1,389,067	-	145,343	16,144,134	10,721,565	172,714,335

## Carrying amount

<b>As at 31 December 2019</b>	10,188,125	85,311,610	214,126,120	2,127,392	304,469	1,010,252	332,250	-	1,813,670	35,060,751	19,522,591	369,797,229
<b>At 31 December 2018</b>	3,508,665	92,420,492	267,923,547	3,916,994	3,585,917	2,074,076	635,214	1,014,491	-	19,409,368	-	394,488,764

## \*\*See note 16.8 for details on right of use assets

Company	Leasehold Land	Buildings	Production Plant	Capitalised Spares	Furniture	Motor Vehicles	Computer Equipment	Ancillary Plant & Machinery	Exploration and evaluation assets	Construction Expenditure	**Right of use assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>As at 1 January 2018</b>	7,807,567	76,879,834	283,679,139	4,669,582	4,740,108	1,859,937	1,700,125	656,090	-	21,753,168	-	403,745,550
Capital expenditure	-	-	-	-	-	-	-	-	-	10,512,487	-	10,512,487
Construction expenditure capitalised	-	2,774,466	7,282,876	592,282	26,034	2,084,519	272,634	130,057	-	(13,162,868)	-	-
Transfer from Inventory	-	-	5,362,466	-	-	-	-	-	-	-	-	5,362,466
Disposals	(1,110)	(8,967)	(131,743)	-	(477,846)	(157,758)	-	-	-	-	-	(777,424)
Write-offs	-	-	(472,719)	(87,306)	(2,465,186)	(125,796)	(785,110)	(6,161)	-	(369,037)	-	(4,311,315)
<b>As at 31 December 2018</b>	7,806,457	79,645,333	295,720,019	5,174,558	1,823,110	3,660,902	1,187,649	779,986	-	18,733,750	-	414,531,764

## Cost:

<b>As at 1 January 2019</b>	7,806,457	79,645,333	295,720,019	5,174,558	1,823,110	3,660,902	1,187,649	779,986	-	18,733,750	26,414,705	440,946,469
Arising on business re-organisation	-	699,029	2,296,451	99,871	281,949	-	35,604	-	-	114,348	-	3,527,252
Capital expenditure	-	-	620,648	-	-	-	-	-	-	15,157,290	-	15,777,938
Construction expenditure capitalised	-	979,522	3,443,491	-	80,346	156,202	-	-	-	(4,659,561)	-	-
Addition to right of use assets	-	-	(52,477)	-	-	(149,221)	-	-	-	-	4,280,293	4,280,293
Disposal	-	-	-	-	-	-	-	-	-	-	-	(201,698)
Derecognition of right of use asset	-	-	(104,340)	-	-	104,340	-	-	-	-	(467,866)	(467,866)
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification (to)/from inventories	-	-	(5,362,466)	384,507	-	-	-	-	-	-	-	(4,977,959)
Reclassification to intangibles	(87,373)	14,384,423	(9,129,339)	(3,226,527)	(1,431,827)	(294,777)	190,744	(779,986)	-	-	-	(374,661)
Reclassification from advance payment to supplier	-	(491,827)	(81,975)	-	-	-	(86,784)	-	-	956,784	-	956,784
Write-offs	-	-	-	-	-	-	-	-	-	-	-	(660,586)
<b>As at 31 December 2019</b>	7,719,084	95,216,480	287,350,011	2,432,409	753,578	3,477,446	1,327,213	-	-	30,302,611	30,227,132	458,805,966

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

Company (Contd.)	Leasehold Land	Buildings	Production Plant	Capitalised Spares	Furniture	Motor Vehicles	Computer Equipment	Ancillary Plant & Machinery	Exploration and evaluation assets	Construction Expenditure	**Right of use assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Accumulated depreciation and impairment losses:</b>												
<b>As at 1 January 2018</b>	4,034,547	12,665,004	73,217,198	1,790,640	3,442,002	1,712,644	1,231,223	385,243	-	12,394,270	-	110,872,771
Charge for the year	235,623	2,312,814	12,304,820	493,297	596,786	202,436	93,550	130,562	-	-	-	16,369,888
Impairment loss	-	-	219,000	-	-	-	-	-	-	-	-	219,000
Disposals	-	(5,455)	(131,056)	-	(477,846)	(157,758)	-	-	-	-	-	(772,115)
Write-offs	-	-	(466,289)	(87,306)	(2,465,186)	(125,796)	(782,774)	(6,161)	-	-	-	(3,933,512)
<b>As at 31 December 2018</b>	4,270,170	14,972,363	85,143,673	2,196,631	1,095,756	1,631,526	541,999	509,644	-	12,394,270	-	122,756,032
<b>As at 1 January 2019</b>	4,270,170	14,972,363	85,143,673	2,196,631	1,095,756	1,631,526	541,999	509,644	-	12,394,270	-	122,756,032
Arising on business re-organisation	-	207,079	1,211,940	-	258,850	-	21,602	-	-	-	-	1,699,471
Charge for the year	531,639	2,761,513	12,384,293	231,560	44,639	338,697	161,763	-	-	-	10,706,327	27,160,431
Impairment loss	-	-	389,911	-	-	-	-	-	-	-	-	389,911
Disposals	-	-	(44,945)	-	-	(149,221)	-	-	-	-	-	(194,166)
<b>Reclassification</b>	-	-	(25,300)	-	-	25,300	-	-	-	-	-	-
Reclassification to inventories	-	-	(1,072,487)	-	-	-	-	-	-	-	-	(1,072,487)
Reclassifications to intangibles	(139,544)	5,271,064	(3,928,972)	(1,334,264)	(764,589)	724,720	401,471	(509,644)	-	-	-	(279,758)
Write-offs	-	(150,573)	(76,490)	-	-	-	(77,175)	-	-	-	-	(304,238)
<b>As at 31 December 2019</b>	4,662,265	23,061,446	93,981,623	1,093,927	634,656	2,571,022	1,049,660	-	-	12,394,270	10,706,327	150,155,196
<b>Carrying amount</b>												
<b>As at 31 December 2019</b>	3,056,819	72,155,034	193,368,388	1,338,482	118,922	906,424	277,553	-	-	17,908,341	19,520,805	308,650,770
<b>At 31 December 2018</b>	3,536,287	64,672,970	210,576,346	2,977,927	727,354	2,029,376	645,650	270,342	-	6,339,480	-	291,775,732

\*\*See note 16.8 for details on right of use assets.

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

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Capital expenditure	22,306,615	21,654,504	15,777,938	10,512,487
Reclassification from deferred revenue	-	190,047	-	-
Acquisition of property, plant and equipment per statement of cashflows	<b>22,306,615</b>	<b>21,844,551</b>	<b>15,777,938</b>	<b>10,512,487</b>

### 16.2 Impairment of exploration and evaluation costs

In 2018, the Group recognised an impairment loss on Exploration and Evaluation cost relating to coal and limestone drilling project (Nil in current year).

### 16.3 Impairment of property, plant and equipment

Management has recognised an impairment loss of ₦389 million to reflect the recoverable value of one of its power plant (2018: ₦264m).

In 2018, management recorded an impairment of ₦279 million on assets from the mothballed sites in 2018 as a result of the restructuring and the close down of some sites in the South African operations of Lafarge Africa Plc in 2017. Total value of impaired assets written off in South Africa amounted to ₦279 million as at 31 December 2018.

Also, in 2018, the management expended ₦219 million on Mfamosing crusher from Eastern Nigerian operations in Calabar. The company installed a new crusher in its Mfamosing plant, leading to the idleness of the existing crusher. The Company carried out an impairment assessment of the Crusher and an impairment charge of ₦219 million, which represents the cost of relocation and installation of the crusher at the AshakaCem Plant, has been recognised as at 31 December 2018.

### 16.4 Assets pledged as security

The Group has no assets pledged as security as at 31 December 2019 (2018: Nil)

### 16.5 Construction work in progress and Capital commitments

For capital commitments, refer to Note 36. Construction work in progress are the Group's projects on maintaining and developing plants and the office structure

**16.6 Capitalised borrowing costs**

Capitalised borrowing costs during the year amounted to ₦638.6 million (2018:Nil), calculated using a capitalisation rate of 9%.

**16.7 Depreciation**

Depreciation for the year including those charged on Right of Use Asset has been charged as follows:

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Cost of sales (Note 7)	27,932,666	21,649,458	25,801,214	16,265,935
Administrative expenses (Note 9)	1,564,704	638,821	1,359,217	103,953
	<b>29,497,370</b>	<b>22,288,279</b>	<b>27,160,431</b>	<b>16,369,888</b>

**16.8 Right of Use Assets GROUP**

	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
<b>Cost:</b>					
<b>As at 1 January 2019</b>	13,442	968,260	1,778,259	23,671,768	26,431,729
Additions**	98,999	444,958	19,834	3,716,502	4,277,267
Derecognition of right of use asset	-	-	(467,866)	-	(464,840)
<b>As at 31 December 2019</b>	<b>112,441</b>	<b>1,413,218</b>	<b>1,330,227</b>	<b>27,388,270</b>	<b>30,244,156</b>

**Accumulated depreciation:**

<b>As at 1 January 2019</b>	-	-	-	-	-
Depreciation charge for the period	23,223	740,413	1,274,247	8,683,682	10,721,565
<b>As at 31 December 2019</b>	<b>23,223</b>	<b>740,413</b>	<b>1,274,247</b>	<b>8,683,682</b>	<b>10,721,565</b>

**Carrying amount**

<b>As at 31 December 2019</b>	<b>89,218</b>	<b>672,805</b>	<b>55,980</b>	<b>18,704,588</b>	<b>19,522,592</b>
<b>As at 1 January 2019</b>	<b>13,442</b>	<b>968,260</b>	<b>1,778,259</b>	<b>23,671,768</b>	<b>26,431,729</b>

Company	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
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**Cost:**

<b>As at 1 January 2019</b>	13,442	951,236	1,778,259	23,671,768	26,414,705
Additions**	98,999	444,958	19,834	3,716,502	4,280,293
Derecognition of right of use asset	-	-	(467,866)	-	(467,866)
<b>As at 31 December 2019</b>	<b>112,441</b>	<b>1,396,194</b>	<b>1,330,227</b>	<b>27,388,270</b>	<b>30,227,132</b>

**Accumulated depreciation:**

<b>As at 1 January 2019</b>	-	-	-	-	-
Depreciation charge for the period	23,223	725,175	1,274,247	8,683,682	10,706,327
<b>As at 31 December 2019</b>	<b>23,223</b>	<b>725,175</b>	<b>1,274,247</b>	<b>8,683,682</b>	<b>10,706,327</b>

**Carrying amount**

<b>As at 31 December 2019</b>	<b>89,218</b>	<b>671,019</b>	<b>55,980</b>	<b>18,704,588</b>	<b>19,520,806</b>
<b>As at 1 January 2019</b>	<b>13,442</b>	<b>951,236</b>	<b>1,778,259</b>	<b>23,671,768</b>	<b>26,414,705</b>

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

\*\*Additions relate to the renewal of existing lease contracts during the year with an option of renewal which management has exercised.

## 17 Intangible assets

	Group		Total
	Intangible Assets	Work in progress	
	N'000	N'000	N'000
<b>Cost</b>			
Balance at 1 January 2018	5,102,341	-	5,102,341
Additions	1,106,247	3,114,037	4,220,284
Effect of movements in exchange rates	(313,523)	-	(313,523)
Balance at 31 December 2018	<b>5,895,065</b>	<b>3,114,037</b>	<b>9,009,102</b>
Balance at 1 January 2019	5,895,065	3,114,037	9,009,102
Arising from deconsolidation of discontinued operation	(5,091,287)	-	(5,091,287)
Reclassification from PPE	374,662	-	374,662
Software expenditure capitalised	3,114,037	(3,114,037)	-
Additions	531,386	-	531,386
Balance at 31 December 2019	<b>4,823,863</b>	<b>-</b>	<b>4,823,863</b>
<b>Accumulated Amortisation</b>			
Balance at 1 January 2018	2,468,015	-	2,468,015
Charge for the year	494,990	-	494,990
Effect of movements in exchange rates	(148,421)	-	(148,421)
Balance at 31 December 2018	<b>2,814,584</b>	<b>-</b>	<b>2,814,584</b>
Balance at 1 January 2019	2,814,584	-	2,814,584
Arising from deconsolidation of discontinued operation	(2,144,807)	-	(2,144,807)
Reclassification from PPE	279,758	-	279,758
Charge for the year	672,260	-	672,260
Balance at 31 December 2019	<b>1,621,795</b>	<b>-</b>	<b>1,621,795</b>
<b>Carrying amount</b>			
At 31 December 2019	<b>3,202,068</b>	<b>-</b>	<b>3,202,068</b>
At 31 December 2018	<b>3,080,481</b>	<b>3,114,037</b>	<b>6,194,518</b>
	<b>Company</b>		
	Intangible Assets	Work in progress	Total
	N'000	N'000	N'000
<b>Cost</b>			
Balance at 1 January 2018	92,748	3,114,037	3,206,785
Additions	-	-	-
Balance at 31 December 2018	<b>92,748</b>	<b>3,114,037</b>	<b>3,206,785</b>
Balance at 1 January 2019	92,748	3,114,037	3,206,785
Arising on business re-organisation	23,601	-	23,601
Additions	531,386	-	531,386
Reclassification	374,662	-	374,662
Construction expenditure capitalised	3,114,037	(3,114,037)	-
Intercompany transfer	(812,534)	-	(812,534)
Balance at 31 December 2019	<b>3,323,900</b>	<b>-</b>	<b>3,323,900</b>
<b>Accumulated Amortisation</b>			
Balance at 1 January 2018	-	-	-
Charge for the year	2,280	-	2,280
Balance at 31 December 2018	<b>2,280</b>	<b>-</b>	<b>2,280</b>
Balance at 1 January 2019	2,280	-	2,280
Arising on business re-organisation	17,016	-	17,016
Reclassification from PPE	279,758	-	279,758
Charge for the year	518,036	-	518,036
Balance at 31 December 2019	<b>817,090</b>	<b>-</b>	<b>817,090</b>
<b>Carrying amount</b>			
At 31 December 2019	<b>2,506,810</b>	<b>-</b>	<b>2,506,810</b>
At 31 December 2018	<b>90,468</b>	<b>3,114,037</b>	<b>3,204,505</b>

Intangible assets represents computer software in the Group's operations. The capitalised expenditure in the Company's books represent the cost of computer software, (systems, application and products), which was in testing and installation phase at the end of the 2018 which was capitalised during 2019. Amortisation of intangible assets is included in Note 15.

**18 Interests in other entities****18.1 Investments in subsidiaries**

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation is also their principal place of business.

**31 December 2019**

Name of entity	Principal activities	Place of Incorporation	Proportion	Cost
			%	N'000
Ashaka Cement Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power generation and sale	Nigeria	100	10,000
				<b>63,906,867</b>

**31 December 2018**

Name of entity	Principal Activities	Place of Incorporation	Proportion	Cost
			%	N'000
Lafarge Ready Mix Nigeria Limited	Aggregate and concrete	Nigeria	100	50,000
Lafarge South Africa Holdings (PTY) Limited	Building materials	South Africa	100	114,966,665
Ashaka Cement PLC	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power generation and sale	Nigeria	100	10,000
				<b>178,923,532</b>

**18.2 Discontinued operation**

On the 24th of May 2019, the group announced its intention to dispose of the company's investment in Lafarge South Africa Holdings (LSAH) via a planned sale of total equity interest held by the company in LSAH to Caricement B.V, a related party within the Lafarge Holcim Group.

On the 31st of July 2019, the company completed the sale of its investment, subsequent to the shareholders approval at the annual general meeting. The investment was sold at US\$317,000,000 which was utilized to settle the entire principal (US\$ 293,000,000) and accrued interest to 31st July, 2019 (US\$23,289,060.55). The subsidiary is reported as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

**18.2.1 Profit/(loss) after tax from discontinued operation**

	7 months ended '31 July 2019 N'000	12 months ended '31 Dec 2018 N'000
<b>Results of Lafarge South Africa Holdings (PTY) Limited</b>		
Revenue	51,145,309	90,612,320
Cost of sales	(51,069,152)	(88,041,551)
<b>Gross Profit</b>	<b>76,157</b>	<b>2,570,769</b>
Selling and marketing expenses	(1,153,306)	(3,834,890)
Administrative expenses	(6,612,792)	(12,262,809)
Other operating expenses	(346,928)	(190,570)
<b>Operating loss</b>	<b>(8,036,869)</b>	<b>(13,717,500)</b>
Finance income	283,607	194,374
Finance costs	(1,094,399)	(4,410,179)
Share of loss from associates	(27,430)	(65,155)
<b>Loss before tax</b>	<b>(8,875,091)</b>	<b>(17,998,460)</b>
Taxation	(609,670)	1,099,703
<b>Results from operating activities, net of tax</b>	<b>(9,484,761)</b>	<b>(16,898,757)</b>
<b>Other comprehensive income</b>		
Remeasurement gain of defined benefit obligation, net of tax	102,139	-
<b>Results from operating activities and other comprehensive income, net of tax</b>	<b>(9,382,622)</b>	<b>(16,898,757)</b>
<b>Gain on sale of discontinued operation</b>	108,969,188	-
<b>Profit/(loss) from discontinued operation net of tax</b>	<b>99,586,566</b>	<b>(16,898,757)</b>

**18.2.2 Effect of the disposal on the financial position of the group**

Financial position of Lafarge South Africa Holdings (PTY) Limited at the date of disposal

	<b>31 Jul 2019 N'000</b>
<b>ASSETS</b>	
Property, plant and equipment	47,907,489
Intangible assets	2,747,292
Other financial assets	735,641
Other assets	459,063
Inventories	10,460,483
Trade and other receivables	15,786,842
Current tax asset	631,095
Cash and cash equivalents	5,727,616
<b>Total assets</b>	<b>84,455,521</b>
<b>LIABILITIES</b>	
Loans and borrowings	28,885,252
Deferred tax liabilities	100,005
Provisions	2,226,887
Employee benefit obligations	3,078,895
Trade and other payables	29,616,712
Current tax liabilities	317,263
Bank overdraft	25,058,400
<b>Total liabilities</b>	<b>89,283,414</b>
<b>Net assets/ (liabilities)</b>	<b>(4,827,893)</b>

**18.2.3 Gain on disposal of investment in subsidiary (Group)**

	<b>USD</b>	<b>Rate</b>	<b>N'000</b>
Proceed from disposal	317,000,000	361	114,348,240
Transaction cost on disposal			(219,485)
			<b>114,128,755</b>
<b>Less:</b>			
Net liability of LSAH at July 31, 2019 (Note 18.2.2)			4,827,893
Non-controlling interest derecognised			(305,322)
Cumulative exchange differences in respect of the net assets/liability of the subsidiary reclassified from equity on loss of control of subsidiary			(9,682,138)
<b>Gain on disposal</b>			<b>108,969,188</b>

**18.2.4 Loss on disposal of investment in subsidiary (Company)**

	<b>N'000</b>
Proceed from disposal	114,348,240
Transaction cost on disposal	(219,485)
<b>Net consideration (Note 18.2.5)</b>	<b>114,128,755</b>
Less carrying value of investment disposed	(114,966,665)
<b>Loss on disposal of investment subsidiary</b>	<b>(837,910)</b>

**18.2.5 Proceed from disposal of subsidiary**

	<b>N'000</b>	<b>N'000</b>
Non cash effect (financial liabilities settlement-note 30.5):		
Principal repaid	8,399,478	
Interest repaid	105,690,960	
	<b>114,090,438</b>	<b>114,090,438</b>
Cash paid	257,802	
Transaction cost of disposal	(219,485)	
<b>Disposal of discontinued operation, net of cash disposed</b>	<b>38,317</b>	38,317
<b>Net consideration</b>		<b>114,128,755</b>

## 18.2.6 Cash flows from/ (used) in discontinued operation

### Lafarge South Africa Holdings (PTY) Limited

Net cash flow used in operating activities	
Net cash flows used in investing activities	
Net cash inflow (used in)/generated from financing activities	
<b>Net cash flows for the year</b>	
Net foreign exchange effect on cash & cash equivalents	
Cash and cash equivalents at 1 January 2018	
<b>Cash and cash equivalents as at July 31, 2019</b>	

	7 months ended '31 Dec 2019 N'000	12 months ended '31 Dec 2018 N'000
	(370,603)	(10,524,490)
	(1,567,499)	(1,971,837)
	(899,938)	8,063,258
	<b>(2,838,040)</b>	<b>(4,433,069)</b>
	34,350	(969,410)
	<b>(16,527,094)</b>	<b>(11,124,615)</b>
	<b>(19,330,784)</b>	<b>(16,527,094)</b>

## 18.2.7 Movement in Investment in LSAH

Opening balance	
Impairment loss (Note 13)	
Disposal	
<b>Net investment in LSAH</b>	

	Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000
	114,966,665	118,141,539
	-	(3,174,874)
	(114,966,665)	
	<b>-</b>	<b>114,966,665</b>

## 18.2.8 Investment in joint venture - Continental Blue Investment, Ghana

The Group has a 35% interest in Continental Blue Investment (CBI), a Company involved in development, financing and operation of a cement grinding plant in Ghana. Accordingly the group has classified its interest in CBI as a joint venture, in accordance with the agreement under which CBI was established. The Group and Company's interest in CBI is accounted for using the equity method in the consolidated and separate financial statements.

As at 31 December 2019 the carrying amount of the Company's investment in Continental Blue Investment (CBI) has been fully depleted, as the losses reported over the years exceeded the carrying amount of the investment. Information on the aggregate amount of its share of the joint venture's profit or loss and other comprehensive income is set out below:

### Summarised statement of financial position of Continental Blue Investment, Ghana:

Current assets (including cash and cash equivalent and prepayments)	
Non current assets	
Current liabilities, including tax payable	
Non-current liabilities	
Net assets/(liabilities) (100%)	

	31 Dec 2019 N'000	31 Dec 2018 N'000
	2,989,673	2,253,198
	15,901,677	14,278,044
	(5,881,266)	(3,377,188)
	(14,083,265)	(13,937,950)
	<b>(1,073,181)</b>	<b>(783,896)</b>
	<b>(375,613)</b>	<b>(274,364)</b>

### Group's carrying amount of the investment / share of net liabilities (35%)

### Summarised statement of comprehensive income of Continental Blue Investment, Ghana:

Revenue	
Cost of sales	
Other operating income	
Operating expenses	
Loss before tax	
Income tax expense	
Loss for the year	
Other comprehensive income, net of tax	
Exchange differences on translation	
Other comprehensive income, net of tax	
Total comprehensive loss (100%)	
Share of loss for the year (35%)	
Share of other comprehensive income, net of tax for the year (35%)	
Total comprehensive loss (35%)	
Company's unrecognised share of loss	
Company's recognised share of loss	

	31 Dec 2019 N'000	31 Dec 2018 N'000
	13,305,397	3,566,158
	(10,568,230)	(3,917,599)
	88,948	38,888
	(3,108,952)	(323,773)
	(282,837)	(636,326)
	-	-
	(282,837)	(636,326)
	165,987	62,217
	165,987	62,217
	(116,850)	(574,109)
	(98,993)	(222,714)
	58,095	21,776
	<b>(40,898)</b>	<b>(200,938)</b>
	(98,993)	(222,714)
	-	-
	<b>(98,993)</b>	<b>(222,714)</b>

The cumulative unrecognised share of loss as at 31st December 2019 is ₦382.3 million. (2018: ₦283.3 million).

### 18.3 Disclosure of Entity with Non- Controlling Interest within the group

Summary of financial position and performance of Ash Resources (Pty ) Ltd is shown below:

Name	Country of incorporation and operation	2019	2018
<b>Ash Resources Pty Ltd</b>	South Africa		
NCI Percentage		-	25%
<b>Summarised Statement of financial position</b>			
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>N'000</b>	<b>N'000</b>
Non-current assets		-	1,234,267
Current assets		-	2,748,928
Non-current liabilities		-	(666,385)
Current liabilities		-	(1,667,374)
<b>Net Assets</b>		<b>-</b>	<b>1,649,436</b>
<b>Net Assets attributable to NCI</b>			<b>412,359</b>
<b>Summarised Statement of comprehensive income</b>			
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>N'000</b>	<b>N'000</b>
Revenue		-	7,950,642
Profit		-	1,184,753
Other Comprehensive income		-	36,536
<b>Total Comprehensive Income</b>		<b>-</b>	<b>1,221,289</b>
Profit allocated to NCI		-	296,188
OCI allocated to NCI		-	9,134
		-	<b>305,322</b>
<b>Summarised Statement of Cash Flows</b>			
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>N'000</b>	<b>N'000</b>
Net cashflows from operating activities		-	837,465
Net cashflows from investing activities		-	56,129
Net cashflows from financing activities		-	(763,463)
<b>Net increase in Cash and Cash equivalents</b>		<b>-</b>	<b>130,131</b>

### 18.4 Merger of Readymix Nig with Lafarge Africa Plc

During the year, the Company sought and obtained shareholders' and regulatory approval to merge with a wholly owned subsidiary, Readymix Nigeria Ltd, effective on 30 November 2019.

The merger was effected during the year and the operational integration of the entity has been finalised. The subsidiary which was merged was ultimately controlled by the same party before and after the merger and Common control is therefore not transitory. Consequently, this is a business combination of entities under common control. The Directors have also elected to state the performance of the merged entity as if the merger had taken place at the beginning of the financial year (1st January 2019).

The Directors have elected not to restate the comparatives in the Separate Statement of profit or loss and other comprehensive income.

The net assets of this subsidiary was transferred to the Company at no purchase consideration and recognised in other reserves in accordance with the Group's accounting policy.

The assets and liabilities acquired through the merger (at book value) were as follows:

	<b>31 Dec 2018</b>
	<b>N'000</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment (note 16)	1,799,475
Intangible assets (note 17)	6,585
Other assets (note 35.1.3)	94,291
Deferred tax assets (note 14.7)	642,411
Inventories (note 35.1.1)	282,271
Trade and other receivables (note 35.1.2)	512,675
Cash and cash equivalents (note 24.3)	50,645
<b>Total assets</b>	<b>3,388,353</b>



**Merger of Readymix Nig with Lafarge Africa Plc cont'd****LIABILITIES**

Site restoration provision (note 31.1)	(57,061)
Productivity bonus provision (note 31.2)	(104,361)
Employee benefit obligations (note 33.1)	(40,213)
Trade and other payables (note 35.1.5)	(5,096,633)
Derecognition of investment in subsidiary at cost (note 18.1)	(50,000)

**Total liabilities****(5,348,268)****Transfer to reserves from merger****(1,959,915)**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>19 Other financial assets</b>				
<b>Non-current:</b>				
Financial asset at FVOCI (Note 19.1)	-	166,091	-	-
Other financial assets (Note 19.2)	767,253	1,135,057	767,253	1,134,509
	<b>767,253</b>	<b>1,301,148</b>	<b>767,253</b>	<b>1,134,509</b>
<b>Current:</b>				
Other financial assets (Note 19.3)	1,005,200	1,140,956	1,001,586	605,230
	<b>1,772,453</b>	<b>2,442,104</b>	<b>1,768,839</b>	<b>1,739,739</b>

**19.1 Equities measured at fair value through other comprehensive income (FVOCI)****Unquoted entities**

	Group	
	31 Dec 2019 N'000	31 Dec 2018 N'000
Business Partners Limited	-	164,697
Pietersburg Mixed Concrete (Proprietary) Limited	-	1,170
Rand Park Golf Club	-	224
	<b>-</b>	<b>166,091</b>

In 2018, the Group had investments in a number of businesses across South Africa. They are owned and managed by Lafarge South Africa Holdings. All Group's investment in unquoted equities are classified as equities measured at fair value through other comprehensive income (FVOCI)

**19.2 Other financial assets - Non current**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Loan to CBI Ghana (Note 19.2.1)	767,253	1,134,509	767,253	1,134,509
Receivable from third parties	-	548	-	-
	<b>767,253</b>	<b>1,135,057</b>	<b>767,253</b>	<b>1,134,509</b>

**19.2.1 Loan to CBI Ghana**

Included in loan receivable is USD 3.85m from CBI Ghana. This is a combination of USD1.39 million and USD2.46 million loan granted to CBI Ghana in October, 2016 and December 2016 respectively for the development of its cement grinding plant and related activities. The loan was given at an interest rate of LIBOR 12Months + 11% (per annum) and the loan is expected to be repaid within a period of seven years and eight years respectively with a moratorium period of two years from drawdown date on October 6, 2016 and December 28, 2016 respectively. The loan has been converted at NAFEX rate as at the reporting period. The non-current portion of the loan including interest is valued at ₦767 million (2018: ₦1.13 billion). The interest is repaid monthly.

**19.3 Other financial assets - Current**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Short term receivables	9,946	535,726	6,332	-
Loan to CBI Ghana (Note 19.3.1)	995,254	605,230	995,254	605,230
	<b>1,005,200</b>	<b>1,140,956</b>	<b>1,001,586</b>	<b>605,230</b>

**19.3.1 Loans to CBI Ghana**

This represents the current portion of the USD1.39 million and USD2.46 million loan granted to CBI, Ghana in 2016 for the development of its cement grinding plant and related activities. The loan was given at an interest rate of LIBOR 12 Months + 11% (per annum) and the loan is expected to be repaid within a period of seven years and eight years respectively with a moratorium period of two years commencing on October 6, 2016 and December 28, 2016 respectively. The loan has been converted at NAFEX rate as at the reporting period. The current portion of the loan including interest is valued at ₦995 million (2018: ₦605 million). The interest is repaid monthly.

**20 Derivative financial instruments**

The Group/Company's derivative asset and liability of 2018 represents the fair value change on Non-Deliverable Forward (NDF) contracts with the intention of hedging against exchange rate volatility of loans received from Caricement B.V which is a related party. The loan was fully settled in 2019.

The derivative financial instruments are analysed as follows;

	<b>Group</b>			
	<b>31-Dec-19</b>		<b>31-Dec-18</b>	
	<b>Assets N'000</b>	<b>Liabilities N'000</b>	<b>Assets N'000</b>	<b>Liabilities N'000</b>
Derivative instruments	-		95,573	244,176
	-	-	<b>95,573</b>	<b>244,176</b>

	<b>Company</b>			
	<b>31-Dec-19</b>		<b>31-Dec-18</b>	
	<b>Assets N'000</b>	<b>Liabilities N'000</b>	<b>Assets N'000</b>	<b>Liabilities N'000</b>
Derivative instruments	-		95,573	244,176
	-	-	<b>95,573</b>	<b>244,176</b>

**21 Other assets**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>
	Non current	20,345,783	16,671,760	18,772,032
Current	6,302,759	10,594,409	4,958,939	8,661,903
	<b>26,648,542</b>	<b>27,266,169</b>	<b>23,730,971</b>	<b>23,735,360</b>
Advance payment to suppliers	2,519,214	2,501,059	1,283,647	1,863,729
Deferred charges	-	9,600	-	9,600
Prepayment for Gas (Note 21.1)	17,639,060	11,798,702	17,639,060	11,798,702
Rental lease	-	709,244	-	-
Prepaid rent	63,198	699,196	43,198	558,542
Prepaid insurance	1,162,469	1,379,323	1,074,217	1,249,214
Advance payment to transporters (Note 21.2)	1,963,345	5,939,989	1,963,345	5,939,989
Advance payment of taxes and levies (Note 9.1)	936,677	936,676	936,677	936,676
Letters of credit	1,573,752	1,573,750	-	-
Deposit for imports	790,827	1,378,908	790,827	1,378,908
Other assets	-	339,722	-	-
	<b>26,648,542</b>	<b>27,266,169</b>	<b>23,730,971</b>	<b>23,735,360</b>

**21.1 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 end of the year. The contract is for a period of 20 years from 2012 to 2032 and the Company is entitled to utilise the amount prepaid anytime within the contract period with an extension of 2years after the expiration of the contract.

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. 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.

**21.2 Advance payment to transporters**

During the year, the Group and Company made an advance payment of ₦1.9 billion naira to different transporters for the transportation of cement from its plants to different destinations. The amount advanced is utilised on a monthly basis through the provision of haulage service by the transporters. The agreement with the various transporters span between 30 to 36 months. As at year end, the balance yet to be utilised by the Group and Company amounted to ₦2 billion (2018: ₦5.9 billion).

## 22 Inventories

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Raw materials	2,714,880	10,493,583	2,388,786	9,139,734
Work in progress	972,066	11,480,616	772,387	601,308
Finished goods	9,645,799	9,070,787	7,047,596	8,539,220
Spare parts	14,062,246	12,937,064	11,715,257	8,951,553
Other supplies (Note 22.1)	5,045,779	3,174,471	3,755,495	1,689,652
	<b>32,440,770</b>	<b>47,156,521</b>	<b>25,679,521</b>	<b>28,921,467</b>

The cost of inventories recognised as an expense during the year and included in 'cost of sales' was ₦44.2 billion (2018: ₦52.7 billion) and ₦37.1 billion (2018: ₦34.7 billion) for the Group and Company respectively.

Inventory write down recognised during the year was ₦1.5 billion (2018: ₦1.3 billion) and ₦962.8 million (2018: ₦820 million) for the Group and Company respectively.

Inventory write off recognised during the year was ₦418.2 million (2018: ₦973 million) for the Group and Company respectively.

## 22.1 Other supplies

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

## 23 Trade and other receivables

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Trade receivables:				
Third party sales	2,494,787	14,321,302	2,373,676	2,070,277
Related party sales (Note 38.4)	-	-	642,597	204,722
	2,494,787	14,321,302	3,016,273	2,274,999
Impairment on trade receivables (Note 23.3)	(275,494)	(764,220)	(264,284)	(149,573)
Net trade receivables	2,219,293	13,557,082	2,751,989	2,125,426
Other receivables	5,752,292	5,950,565	5,690,738	4,608,588
Due from related parties (Note 38.5)	221,465	1,656,347	12,009,959	4,433,691
	5,973,757	7,606,912	17,700,697	9,042,279
Net other receivables	5,973,757	7,606,912	17,700,697	9,042,279
<b>Total trade and other receivables</b>	<b>8,193,050</b>	<b>21,163,994</b>	<b>20,452,686</b>	<b>11,167,705</b>

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

## 23.1 Analysis of other receivables

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Other current receivables (Note 23.2)	5,717,708	5,693,145	5,656,154	4,422,694
Staff advances	34,584	252,043	34,584	185,894
Accrued interest receivables	-	5,377	-	-
	<b>5,752,292</b>	<b>5,950,565</b>	<b>5,690,738</b>	<b>4,608,588</b>

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.

## 23.2 Other current receivables

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
WHT receivable	915,271	552,078	909,418	478,668
Short term receivables	4,802,437	5,141,067	4,746,736	3,944,026
	<b>5,717,708</b>	<b>5,693,145</b>	<b>5,656,154</b>	<b>4,422,694</b>

**23.3 Movement in impairment allowance on trade receivables**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
At 1 January	764,220	954,963	149,573	127,621
Arising from deconsolidation of discontinued operation	(406,504)	-	-	-
Arising on business re-organisation	-	-	205,251	-
Impairment losses recognised	-	74,325	-	44,834
Impairment losses written back**	(25,862)	(234,758)	(34,180)	(22,882)
Bad debt written off	(56,360)	-	(56,360)	-
Exchange difference	-	(30,310)	-	-
At 31 December	<b>275,494</b>	<b>764,220</b>	<b>264,284</b>	<b>149,573</b>

\*\*Impairment losses written back relate to recoveries made during the year.

**24 Cash and cash equivalents**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Restricted cash (Note 24.1)	1,375,834	1,077,794	1,375,834	1,077,794
Cash in hand and at bank (Note 24.2)	25,728,108	11,472,903	24,015,201	9,099,982
<b>Cash and cash equivalents in the statement of financial position</b>	<b>27,103,942</b>	<b>12,550,697</b>	<b>25,391,035</b>	<b>10,177,776</b>

**24.1 Restricted cash**

As at year end, cash and cash equivalents comprised of restricted cash which represents unclaimed dividend amounting to ₦1.38 billion (2018: ₦1.07 billion)

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

**24.2 Cash and cash equivalents in the statement of cash flows**

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Cash in hand and at bank	25,728,108	11,472,903	24,015,201	9,099,982
Less: bank overdrafts (Note 4.1.2b)	(27,552)	(35,280,945)	(27,552)	(16,862,345)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>25,700,556</b>	<b>(23,808,042)</b>	<b>23,987,649</b>	<b>(7,762,363)</b>

**24.3** Included in company's cash and cash equivalents is ₦166.4m relating to Readymix Nig Ltd upon business combination ((2018- ₦50.6m).

**25 Share capital and Share premium****25.1 Share capital**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Authorised:</b>				
20,000,000,000 ordinary shares of 50k each (2017: 10,000,000,000 ordinary shares of 50k each)	10,000,000	10,000,000	10,000,000	10,000,000

**Issued and fully paid  
Ordinary shares of 50k each**

	No of shares N'000	Share capital N'000
At 1 January 2019	8,673,429	4,336,715
Issued during the year	7,434,367	3,717,184
At 31 December 2019	<b>16,107,796</b>	<b>8,053,899</b>
At 1 January 2018	5,575,776	2,787,888
Issued during the year	3,097,653	1,548,827
At 31 December 2018	<b>8,673,429</b>	<b>4,336,715</b>

Addition of shares during the year represent the allotment of shares to share capital following the rights issue which commenced in 2018 and was concluded in 2019 (See note 27).

## 25.2 Share premium

	No of shares	Share premium
	N'000	N'000
At 1 January 2019	8,673,429	350,945,748
Issued during the year	7,434,367	85,495,223
Right issue costs	-	(1,292,240)
At 31 December 2019	<b>16,107,796</b>	<b>435,148,731</b>
At 1 January 2018	5,575,776	222,272,108
Issued during the year	3,097,653	130,101,427
Right issue costs	-	(1,427,787)
At 31 December 2018	<b>8,673,429</b>	<b>350,945,748</b>

## 26 Earnings per share

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Loss/(profit) attributable to equity holders of the Company from continuing & discontinued operation	115,104,352	(9,107,048)	22,721,616	4,141,764
Loss/(profit) attributable to equity holders of the Company from continuing operation	15,452,638	8,097,031	22,656,468	4,141,764
Weighted average number of ordinary shares in issue (Basic)	16,107,796	8,673,429	16,107,796	8,673,429
Weighted average number of ordinary shares in issue (diluted)	16,107,796	8,673,429	16,107,796	8,673,429
<b>Continuing operations &amp; discontinued operation:</b>				
Basic earnings per share (Kobo)	715	(105)	141	48
Diluted earnings per share (Kobo)	715	(105)	141	48
<b>Continuing operations:</b>				
Basic earnings per share (Kobo)	96	93	141	48
Diluted earnings per share (Kobo)	96	93	141	48

## 27 Rights Issue

On December 4, 2018 the Company launched a Rights Issue to raise ₦89.2 billion by way of issue of 7,434,367,256 Ordinary Shares of 0.50 Kobo each at ₦12.00 per share on the basis of six (6) new Ordinary shares for every seven (7) existing Ordinary Shares held by qualified shareholders. At the conclusion of the offer in 2019, the Rights Issue was 100% subscribed and the Board of Directors on 15th February, 2019 passed a resolution to approve the basis of allotment.

### 27.1 Reconciliation of Cash Received from rights issue

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Cash received into offer proceed account	-	-	-	-
Cash transferred from offer proceed account	89,212,408	19,415,289	89,212,408	19,415,289
Transfer to loans	-	(37,005)	-	(37,005)
	89,212,408	19,378,284	89,212,408	19,378,284
2019 Rights issue costs paid in 2019 (note 27.2)	(589,856)	-	(589,856)	-
2017 Rights issue costs paid in 2018	-	(853,044)	-	(853,044)
2019 Rights issue cost paid in 2018 (note 27.2)	-	(702,384)	-	(702,384)
Net cash payments for rights issue	<b>(589,856)</b>	<b>(1,555,428)</b>	<b>(589,856)</b>	<b>(1,555,428)</b>

**27.2 Payment of right issue cost in 2019**

Total Rights issue costs (note 25.2)	
2019 Rights issue costs paid in 2018	
2019 Rights issue costs paid in 2019	

<b>N'000</b>
1,292,240
(702,384)
<b>589,856</b>

**28 Foreign currency translation reserve**

This represents exchange differences arising from the recognition of investment in joint venture from Continental Blue Investment, Ghana and the translation of the financial statements of Lafarge South Africa to the Group's reporting currency which is Naira.

**29** 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 has been used.

**30 Loans and borrowings**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Non-current	52,664,863	172,373,209	45,899,963	144,391,743
Current	11,520,252	93,833,850	14,666,562	105,685,719
<b>Total loans and borrowings</b>	<b>64,185,115</b>	<b>266,207,059</b>	<b>60,566,525</b>	<b>250,077,462</b>
<b>Split into:</b>				
Power fund (Note 30.1)	12,373,343	11,345,910	4,181,322	5,946,467
Bond (Note 30.2)	33,849,197	60,249,338	33,849,198	60,249,338
Bank Loans (Note 30.3)	604,026	53,884,892	604,025	53,884,893
Related party loan (Note 30.4)	-	140,411,911	4,582,413	129,996,764
Lease liabilities (Note 30.5)	17,358,549	-	17,349,567	-
Lafarge Gypsum S.A Pty Ltd	-	315,008	-	-
<b>Total loans and borrowings</b>	<b>64,185,115</b>	<b>266,207,059</b>	<b>60,566,525</b>	<b>250,077,462</b>

**30.1 Power Fund:** Lafarge Africa Plc accessed N12.5billion from the CBN/BOI Power and Aviation Intervention Fund through Guaranty Trust Bank (GTB). Principal and Interest are paid quarterly. Principal repayment commenced in October 2012. The facility has a 10-year tenure with a fixed interest rate of 7% and an effective interest rate of 8.7%.The outstanding balance disclosed in the company's books amounts to N2.4billion which is the amortised cost to date.

Lafarge Africa Plc also accessed N5.3billion from the CBN/BOI Power and Aviation Intervention Fund through Guaranty Trust Bank (GTB). Principal and Interest are paid quarterly. The facility has a 10-year tenure with a fixed interest rate of 4% and an effective interest rate of 15.23%.The outstanding balance disclosed in the company's books amounts to N1.8billion which is the amortised cost to date.

In the addition, the Group also assessed an additional CBN/BOI intervention fund in 2018 through Zenith Bank. The loan assessed amounted to N10billion. as at 31 December 2019.Principal repayment commenced in December 2019. The facility has a 7.5years tenure and an interest rate of 9%. The outstanding balance, at amortised cost, amounts to N 8.3billion

**30.2 Bond:** By a resolution dated 17th March 2016, the Board of Directors resolved to raise the sum of ₦60 billion in two tranches of ₦26 billion and ₦34 billion at interest rate of 14.25% and 14.75% maturing in 2019 and 2021 respectively. The effective interest rate is 14.69% and 14.93% respectively. Interest is paid bi-annually and principal is repaid at end of the tenor. The first tranche has been paid off during the year.

**30.3 Bank Loans:** These represent letters of credit facility line obtained from financial institutions. In 2018, these represent commercial papers and short term loans from various commercial banks for 90 days received in the current year with varying maturity dates ending 2019 at interest rate of 15%-21%.

**30.4 Related party loan:** In 2018, Intercompany loan balance is was made up of USD 315 million loans recieved from Caricement BV in 2017 together with its accumulated interest of USD 7.3 million. This amount was received at an interest rate of US 1 year Libor + 5.71% and was previously hedged with FMDQ at ₦387.33/dollar which was settled in 2018.

In current year, the entire principal USD USD 315 million and accrued interest to 31st July, 2019 USD23,289,060.55 was fully settled. The balance of ₦4.6 billion recorded in current year represents the accrued interest on the loan from AshakaCem Ltd to Lafarge Africa Plc for which the principal was settled in March 2019.

## 30.5 Lease liabilities

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Maturity analysis</b>				
Less than 1 year	7,480,626	-	7,471,645	-
Between one and two years	8,218,969	-	8,218,970	-
Between two and five years	1,492,672	-	1,492,672	-
Five years and above	166,281	-	166,281	-
	<b>17,358,549</b>	<b>-</b>	<b>17,349,567</b>	<b>-</b>
<b>Analysed as</b>				
Non current	9,877,922	-	9,877,922	-
Current	7,480,626	-	7,471,645	-
<b>Total loans and borrowings</b>	<b>17,358,549</b>	<b>-</b>	<b>17,349,567</b>	<b>-</b>

## 30.6 Movement in loans and borrowings

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
At 1 January	266,207,059	256,546,960	250,077,462	255,625,336
Arising from deconsolidation of discontinued operation	(24,124,904)	-	-	-
Lease liabilities at January 1, 2019	22,629,674	-	22,614,117	-
Additions:				
Finance lease	4,164,695	-	4,164,695	-
Loan received	5,358,703	99,712,346	2,500,000	81,266,692
	<b>274,235,227</b>	<b>356,259,306</b>	<b>279,356,274</b>	<b>336,892,028</b>
Interest expensed (Note 12(b))	18,125,050	29,602,641	18,981,016	28,673,150
Interest paid	(9,104,955)	(30,435,129)	(9,104,955)	(28,065,325)
Interest paid on leases	(3,242,545)	-	(3,242,545)	-
Interest paid- non cash	(8,399,478)	-	(8,399,478)	-
Principal repaid	(92,301,404)	(87,925,710)	(101,903,582)	(88,528,977)
Repayment of lease liabilities	(9,435,820)	-	(9,429,245)	-
Principal repaid-non cash	(105,690,960)	-	(105,690,960)	-
Reclassification (Note 32)	-	(1,536,599)	-	-
Exchange (gain) / loss	-	242,550	-	1,106,586
At 31 December	<b>64,185,115</b>	<b>266,207,059</b>	<b>60,566,525</b>	<b>250,077,462</b>
Less than one year	11,291,367	114,252,584	13,507,352	103,322,047
Between one and two years	46,331,563	38,086,589	44,098,613	36,713,209
Between two to five years	5,936,684	4,694,750	2,789,604	869,071
After five years	625,501	109,173,136	170,956	109,173,135
	<b>64,185,115</b>	<b>266,207,059</b>	<b>60,566,525</b>	<b>250,077,462</b>

## 31 Provisions

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Non current (Note 31.1)	1,011,285	3,645,751	547,403	618,970
Current (Note 31.2)	677,349	1,281,247	604,451	845,328
	<b>1,688,634</b>	<b>4,926,998</b>	<b>1,151,854</b>	<b>1,464,298</b>

## 31.1 Non current

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Site restoration cost</b>				
At 1 January	3,645,751	3,472,388	618,970	909,320
Arising on business re-organisation (Note 18.4)	-	-	57,061	-
Arising from deconsolidation of discontinued operation	(2,588,713)	-	-	-
Provision made during the year	576,103	468,368	296,368	26,034
Utilised	(769,940)	(97,965)	(513,481)	(45,733)
Change in estimate	-	(669,948)	-	(520,923)
Reclassification	-	126,429	-	-
Unwinding of discount (Note 12(b))	148,084	456,084	88,485	250,272
Exchange difference	-	(109,605)	-	-
At 31 December	<b>1,011,285</b>	<b>3,645,751</b>	<b>547,403</b>	<b>618,970</b>

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 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 for Nigerian entities was 11.6% (2018: 12.4% and 15.5%).

**31.2 Current**

**Productivity bonus**

	<b>Group N'000</b>
At 1 January 2018	1,166,217
Reclassification	(427,126)
Provision made during the year	1,490,761
Payment in the year	(948,605)
At 31 December 2018	<u>1,281,247</u>
At 1 January 2019	1,281,247
Arising from deconsolidation of discontinued operation	(97,267)
Reclassification	(130,673)
Provision made during the year	915,835
Payment in the year	(1,291,793)
At 31 December 2019	<u><b>677,349</b></u>
	<b>Company N'000</b>
At January 2018	895,268
Provision made during the year	673,400
Payment in the year	(723,340)
At 31 December 2018	<u>845,328</u>
At January 2019	845,328
Arising on business re-organisation (Note 18.4)	104,361
Provision made during the year	819,688
Payment in the year	(1,164,926)
At 31 December 2019	<u><b>604,451</b></u>

The provision for productivity bonus is based on employee performance during the year. It is payable in the year 2020.

**32 Deferred income**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>
<b>Non-current</b>	2,307,466	2,597,602	1,345,039	1,455,770
<b>Current</b>	539,263	315,452	110,732	110,732
	<u><b>2,846,729</b></u>	<u><b>2,913,054</b></u>	<u><b>1,455,771</b></u>	<u><b>1,566,502</b></u>

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>	<b>31 Dec 2019 N'000</b>	<b>31 Dec 2018 N'000</b>
Opening balance	2,913,054	1,629,199	1,566,502	1,629,199
Addition	187,633	1,536,599	-	-
Impact of restructuring (Note 16.1)	-	(190,047)	-	-
Grant released to profit or loss	(253,958)	(62,697)	(110,731)	(62,697)
Closing balance	<u><b>2,846,729</b></u>	<u><b>2,913,054</b></u>	<u><b>1,455,771</b></u>	<u><b>1,566,502</b></u>

The deferred revenue is as a result of the benefit received from a below-market-interest rate government loan (CBN/BOI Intervention Fund loans) disclosed in Note 30.1. The revenue is recognised in profit or loss over the useful life of the asset financed with the loan.

**33 Employee benefit obligations**

**Defined contribution plan – Pension**

The employees of the Nigerian entities (Lafarge Africa Plc and AshakaCem Ltd) are members of a state arranged Pension scheme (Pension reform act, 2014) regulated by the 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.

Lafarge South Africa facilitates and contribute to the provision of retirement benefits for all permanent employees in accordance with the South African Pension Funds Act, 1956. The balance represents statutory deductions yet to be remitted to statutory authorities. The pension costs of these plans, corresponding to the contribution paid, are expensed as incurred.



**Defined benefits plan - Gratuity**

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

**Lafarge South Africa Holdings (Pty) Limited**

The entity provides for health care and gratuity benefits of retired employees and their eligible dependents. The benefits apply only to qualifying employees who were in the employment of the company at the end of 1995. The cost of the benefits is actuarially determined over the employees' working lives. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2018 by Aon Hewitt Limited

**Lafarge Africa Plc**

The plans had two components: the "Normal" gratuity for all exiting employees with service of 5 years and above, and an additional "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 on exit. However, no further liability will be accrued as from 31 December 2015. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2018 by EY (FRC registration number:00000000738). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

Below are the details of movements and amounts recognised in the financial statements:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Non current</b>				
Employee long service award scheme (Note 33.1)	1,309,568	1,412,777	1,085,095	1,137,419
Staff gratuities (Note 33.2)	566,556	3,316,406	566,556	473,992
	<b>1,876,124</b>	<b>4,729,183</b>	<b>1,651,651</b>	<b>1,611,411</b>

**33.1 Employee long service award scheme**

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Opening balance	1,412,777	1,350,849	1,137,419	1,008,443
Arising on business re-organisation (note 18.4)	-	-	40,213	-
Service cost	175,450	165,387	156,330	132,043
Interest cost (Note12b))	201,016	236,308	168,076	161,322
Total amount recognised in profit or loss	<b>376,466</b>	<b>401,695</b>	<b>324,406</b>	<b>293,365</b>
Remeasurements:				
Plan amendment	(196,560)	(56,551)	(177,738)	-
Loss from change in assumptions	(68,671)	(126,611)	(44,954)	(108,186)
Experience adjustment gains	(75,265)	27,868	(81,190)	17,338
Total amount recognised in profit or loss	<b>(340,496)</b>	<b>(155,294)</b>	<b>(303,882)</b>	<b>(90,848)</b>
Benefits paid	(139,179)	(184,473)	(113,061)	(73,541)
<b>Closing balance</b>	<b>1,309,568</b>	<b>1,412,777</b>	<b>1,085,095</b>	<b>1,137,419</b>

**Key assumptions**

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

Below are key assumptions for Nigerian entities:

Financial assumptions	31 Dec 2019	31 Dec 2018
Discount rate- per annum (p.a)	13.5%	15.0%
Inflation rate	11.0%	12.0%
Salary inflation (p.a)	12.0%	14.0%
Benefit escalation rate	5.5%	6.0%
Normal retirement age	60 years	60 years

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

#### Sensitivity analysis for the Company

	31 Dec 2019 N'000	31 Dec 2018 N'000
Base	1,085,095	1,136,334
Discount rate		
0.5% increase	1,047,653	1,097,788
0.5% decrease	1,124,799	1,177,194
Salary increase rate		
0.5% increase	1,125,455	1,177,767
0.5% decrease	1,046,775	1,096,981
Benefit escalation rate		
0.5% increase	1,086,258	1,137,500
0.5% decrease	1,083,961	1,135,195
Mortality experience		
Age rated up by 1 year	1,080,671	1,131,677
Age rated down by 1 year	1,089,085	1,140,535

#### Sensitivity analysis for the Group

	31 Dec 2019 N'000	31 Dec 2018 N'000
Base	1,309,568	1,370,233
Discount rate		
0.5% increase	1,265,530	1,325,052
0.5% decrease	1,356,205	1,418,061
Salary increase rate		
0.5% increase	1,356,720	1,418,428
0.5% decrease	1,264,745	1,324,399
Benefit escalation rate		
0.5% increase	1,311,110	1,371,806
0.5% decrease	1,308,062	1,368,694
Mortality experience		
Age rated up by 1 year	1,304,169	1,364,564
Age rated down by 1 year	1,314,439	1,375,350

The weighted average liability duration for the Plan is 8.55 years. The average weighted duration of the longest Nigerian Government bond as at 31st December 2019 was 7.46 years with a gross redemption yield of 12.89%.

### 33.2 Staff gratuities

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Opening balance	3,316,406	3,566,082	473,992	608,290
Arising from deconsolidation of discontinued operation	(2,842,414)	-	-	-
Service cost	-	(52,031)	-	(85,810)
Interest cost	63,319	367,897	63,319	76,512
Plan amendment	-	173,844	-	-
Curtailment (gains) / losses	-	(88,188)	-	-
Total amount recognised in profit or loss	63,319	401,522	63,319	(9,298)
Remeasurement:				
Gain/(loss) from change in assumptions	95,807	(202,440)	95,807	(16,989)
Experience adjustment loss/(gain)	-	16,049	-	(38,325)
Total amount recognised in other comprehensive income	95,807	(186,391)	95,807	(55,314)
Benefits paid (Note 35.1.6)	(66,562)	(208,876)	(66,562)	(69,686)
Benefits payable**	-	-	-	-
Exchange difference	-	(255,931)	-	-
<b>Closing balance</b>	<b>566,556</b>	<b>3,316,406</b>	<b>566,556</b>	<b>473,992</b>

The significant actuarial assumptions were as follows:

Below are key assumptions for Nigerian entities:

#### Financial assumptions

	31 Dec 2019	31 Dec 2018
Average rate of inflation (p.a)	12%	12%
Discount rate	10%	15%
Average pay increase	-	-
Normal retirement age	60 years	60 years

**Below are key assumptions for Lafarge South Africa PTY:****Financial assumptions**

	31 Dec 2019	31 Dec 2018
Discount rate- per annum (p.a)	-	9.7%
Inflation rate	-	5.9%
Salary inflation (p.a)	-	7.4%
Net discount rate	-	2.2%
Normal retirement age	-	63 years

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

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

Through its defined benefit plans (pension scheme) the Group is exposed to asset volatility risk.

**ii) Withdrawal from Service**

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

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

**Sensitivity analysis for the Company**

	31 Dec 2019 N'000	31 Dec 2018 N'000
Base	566,556	455,703
Discount rate:		
0.5% increase	554,820	447,636
0.5% decrease	578,752	464,051
Mortality experience:		
Age rated up by 1 year	565,470	454,907
Age rated down by 1 year	567,528	456,416

The weighted average liability duration for the Plan is 3.7 years. The average weighted duration of the longest Nigerian Government bond as at 31st December 2019 was 7.46 years with a gross redemption yield of 12.89%.

The discount rate for the South African entities for 2018 is set with reference to yields obtained from the zero coupon yield curve published by the Bond Exchange, converted to annual effective rates, given that the high quality Corporate Bond market in South Africa is not very deep. The duration of the arrangement is around 7 years.

Expected contribution to post-employment benefit plans for the year ending 31 December 2018 is ₦86 million.

**Sensitivity analysis for the Group**

	31 Dec 2019 N'000	31 Dec 2018 N'000
Base	566,556	542,138
Discount rate:		
0.5% increase	554,820	530,214
0.5% decrease	578,752	554,676
Mortality experience:		
Age rated up by 1 year	565,470	454,907
Age rated down by 1 year	567,528	456,416

The weighted average liability duration for the Plan is 3.6 years. The average weighted duration of the longest Nigerian Government bond as at 31st December 2019 was 7.46 years with a gross redemption yield of 12.89%. Expected contribution to post-employment benefit plans for the year ending 31 December 2019 is ₦158 million.

**34 Trade and other payables****Trade payables**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Trade payables	18,941,999	29,289,814	15,577,803	15,027,354
Related party - technical service fee (Note 34.1, 38.4)	5,691,389	13,560,223	5,428,974	9,039,281
	<b>24,633,388</b>	<b>42,850,037</b>	<b>21,006,777</b>	<b>24,066,635</b>
Other payables:				
Customers' deposits	19,770,478	3,639,077	18,477,116	3,209,782
Related companies (Note 38.5)	2,587,574	7,927,401	14,314,010	5,561,294
Withholding tax payable	1,829,293	1,155,829	1,829,293	770,600
Value added tax payable	1,409,042	1,824,632	1,320,052	1,685,967
Employee provisions and other liabilities	309,137	666,664	238,211	340,368
Professional fees	-	128,432	-	128,432
Accruals (Note 34.2)	8,144,599	11,279,953	8,021,708	5,103,031
Other payables	11,034,386	6,845,195	7,370,479	4,834,473
Dividend payable (Note 34.3)	-	4,220,596	-	4,220,596
	<b>45,084,509</b>	<b>37,687,779</b>	<b>51,570,869</b>	<b>25,854,543</b>
	<b>69,717,897</b>	<b>80,537,816</b>	<b>72,577,646</b>	<b>49,921,178</b>

**34.1 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
- The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.
- The current Industrial Franchise Agreement is awaiting registration with National Office for Technology Acquisition and Promotion (NOTAP) in Nigeria. In 2019 it was computed as 5% of earnings before interest and tax (EBITDA) while In 2018, it represents 2% (AshakaCem), 3.5% (Company) of net sales and 2% of profit before tax if greater than zero for technical knowhow, business support and licensing arrangement,

**34.2 Accruals**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Legal	61,189	249,815	61,189	119,142
Unbilled technical fee/ rebate	956,676	876,887	956,676	446,704
Freight/ logistics	680,093	411,638	680,093	411,638
Rent/ depot	128,856	117,961	101,669	101,669
Plant operations and energy	3,781,400	8,283,893	3,697,459	3,349,424
Employee related accrual	606,548	251,479	591,554	246,511
Others	1,929,837	1,088,280	1,933,068	427,943
	<b>8,144,599</b>	<b>11,279,953</b>	<b>8,021,708</b>	<b>5,103,031</b>

**34.3 Dividend paid to equity holders of the company**

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
At 1 January	4,220,596	3,152,627	4,220,596	3,152,627
Dividend declared	-	13,010,143	-	13,010,143
Payment to the equity holders of the parent	(4,220,596)	(11,845,272)	(4,220,596)	(11,845,272)
Return to registrar	-	(219,269)	-	(219,269)
Dividend to be (paid to)/refunded by registrars	-	122,367	-	122,367
At 31 December	-	<b>4,220,596</b>	-	<b>4,220,596</b>

The balance on dividend payable is due to Lafarge Associated Nigeria Limited and other local shareholders for the years 2015, 2016 and 2017

**34.4 Dividend paid**

The following dividend were paid during the year:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Lafarge Associated Nigeria Limited and other equity holders	4,220,596	11,845,272	4,220,596	11,845,272
Total	<b>4,220,596</b>	<b>11,845,272</b>	<b>4,220,596</b>	<b>11,845,272</b>

Dividend paid in current year was paid to Lafarge Associated Nigeria Limited relating to prior years dividend payable.

## 35 Additional cash flow information

### 35.1 Working capital adjustments:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Increase in inventories	9,303,612	4,536,194	8,502,176	4,773,898
(Decrease)/increase in trade and other receivables	(5,952,392)	5,156,873	(11,816,843)	5,751,744
(Decrease)/increase in other assets	(4,655,111)	8,699,036	(4,670,634)	1,928,892
Increase/decrease in other financial assets	139,111	(266,944)	(29,100)	143,634
Increase/ (decrease) in trade and other payables	16,704,406	(34,256,124)	21,780,431	(21,356,428)
	<b>15,539,626</b>	<b>(16,130,965)</b>	<b>13,766,030</b>	<b>(8,758,260)</b>

#### 35.1.1 Reconciliation of changes in inventories included in statement of cash flows:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Movement in inventories	14,715,751	11,109,945	3,241,946	10,136,364
Arising on business re-organisation (Note 18.4)	-	-	282,271	-
Arising from deconsolidation of discontinued operation	(11,281,213)	-	-	-
Reclassification to Property, plant and equipment (Note 16.2)	5,869,074	(6,573,751)	4,977,959	(5,362,466)
Movement as per the Statement of Cashflows	<b>9,303,612</b>	<b>4,536,194</b>	<b>8,502,176</b>	<b>4,773,898</b>

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Movement in trade and other receivables	12,970,944	3,946,122	(9,284,981)	4,763,265
Arising on business re-organisation (Note 18.4)	-	-	512,675	-
Arising from deconsolidation of discontinued operation	(15,870,481)	-	-	-
Transfer to right of use assets	(2,745,219)	-	(2,745,219)	-
Reclassification of Impairment provision on trade receivables (Note 23.3)	(307,636)	(74,325)	(299,318)	(44,834)
WHT utilised	-	44,025	-	-
Interest receivable	-	538,667	-	330,929
2018 Rights issue cost recorded in prepayment	-	702,384	-	702,384
Movement as per the Statement of Cashflows	<b>(5,952,392)</b>	<b>5,156,873</b>	<b>(11,816,843)</b>	<b>5,751,744</b>

#### 35.1.3 Reconciliation of changes in other assets included in statement of cash flows:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Movement in other assets	617,627	8,699,036	4,389	1,928,892
Arising on business re-organisation (Note 18.4)	-	-	94,291	-
Arising from deconsolidation of discontinued operation	(503,424)	-	-	-
Reclassification of prepayments for construction expenditure (Note 16)	(956,784)	-	(956,784)	-
Transfer to right of use assets	(3,812,530)	-	(3,812,530)	-
Movement as per the Statement of Cashflows	<b>(4,655,111)</b>	<b>8,699,036</b>	<b>(4,670,634)</b>	<b>1,928,892</b>

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Movement in other financial assets	669,651	(266,944)	(29,100)	143,634
Arising from deconsolidation of discontinued operation	(530,540)	-	-	-
Movement as per the Statement of Cashflows	<b>139,111</b>	<b>(266,944)</b>	<b>(29,100)</b>	<b>143,634</b>

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Movement in trade and other payables	(10,819,919)	(32,462,364)	22,656,468	(20,008,876)
Arising on business re-organisation (Note 18.4)	-	-	(5,096,633)	-
Arising from deconsolidation of discontinued operation	23,303,729	-	-	-
Reclassification of dividend payable	4,220,596	(1,164,871)	4,220,596	(1,164,871)
Right issue cost paid during the year	-	658,638	-	658,638
Reclassification from Current income tax liabilities (Note 14.5)	-	(1,287,527)	-	(841,319)
Movement as per the Statement of Cashflows	<b>16,704,406</b>	<b>(34,256,124)</b>	<b>21,780,431</b>	<b>(21,356,428)</b>

**35.1.6** Provisions and net movement on employee benefit

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Retirement benefit obligations - service cost	-	(52,031)	-	(85,810)
Retirement benefit obligations - Plan amendment/curtailment	-	85,656	-	-
Long service awards - Plan amendment/curtailment	(196,560)	(56,551)	-	-
Employee Long Service Award - service cost (Note 33.1)	175,450	165,387	156,330	132,043
Productivity bonus payment	(1,291,793)	(948,605)	(1,164,926)	(723,340)
Staff gratuity benefits paid (Note 33.2)	(66,562)	(208,876)	(66,562)	(69,686)
Employee Long service award benefits paid	(139,179)	(184,473)	(113,061)	(73,541)
Remeasurement (gains) / losses – Long service awards	(143,936)	(98,743)	(126,144)	(90,848)
Provision for productivity bonus for the year	785,162	1,063,635	819,688	673,400
	<b>(877,418)</b>	<b>(234,601)</b>	<b>(494,675)</b>	<b>(237,782)</b>

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Proceeds from sale of property, plant and equipment	62,221	969,990	62,221	931,931
Net book value of property, plant and equipment disposed	(7,532)	(33,664)	(7,532)	(5,309)
Gain on sale of property, plant and equipment (Note 35.3)	<b>54,689</b>	<b>936,326</b>	<b>54,689</b>	<b>926,622</b>

**35.3** Other non cash items

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Write offs for Property, plant and equipment	430,763	1,037,955	356,348	377,803
Gain on sale of property plant and equipment (Note 35.2)	(54,689)	(936,326)	(54,689)	(926,622)
Impairment provision on trade and other receivables	307,636	74,325	299,318	44,834
Movement in site restoration cost	(193,837)	(173,116)	(217,113)	(540,622)
Government grants (Note 32)	(253,958)	(62,697)	(110,731)	(62,697)
	<b>235,915</b>	<b>(59,859)</b>	<b>273,133</b>	<b>(1,107,304)</b>

**36** Commitments for expenditure

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Capital expenditure commitments</b>				
Approved and contracted for	-	15,513,811	-	3,904,755
	-	<b>15,513,811</b>	-	<b>3,904,755</b>
<b>Operating expenditure commitments</b>				
Commitments for the supply of gas (Note 36.1)	121,013,891	120,692,031	121,013,891	119,242,031
Commitments for the supply of power (Note 36.2)	6,314,830	8,277,036	6,314,830	8,056,497
Guarantee for gas commitment (Mfamosing project (Note 36.1))	1,450,000	-	1,450,000	-
Commitments for advance payment of taxes (Note 36.3)	-	2,800,000	-	2,800,000
Clearing charges for imported materials	273,400	-	273,400	-
Guarantee for power services	1,185,644	-	1,185,644	-
Guarantee for truck financing	2,405,638	-	2,405,638	-
Share Holder's Gurantee (Note 36.4)	3,427,835	3,377,725	3,427,835	3,377,725
Additional Subscription of Shares in CBI Ghana	1,273,720	1,255,100	1,273,720	1,255,100
Other commitments: Non-cancelable operating lease commitment	-	342,662	-	-
	<b>137,344,958</b>	<b>136,744,554</b>	<b>137,344,958</b>	<b>134,731,353</b>

**36.1** This represents the total commitments with respect to termination payment clause on gas contracts. This amount is made up of ₦48.23 billion relating to gas supply contract with a vendor for the supply of gas to Mfamosing Plant and ₦72.78 billion relating to another gas supply contract with a vendor for the supply of gas to Ewekoro and Shagamu Plants.

The Company also has a bank guarantee of ₦1.45 billion with respect to the supply of gas at the Mfamosing plant.

**36.2** Commitments for the supply of power represents the fixed cost commitment on a monthly basis for the supply of power to the Shagamu plant for ten years starting in 2011.

**36.3** This represents commitment to a State Government for the advance payment of taxes and levies for the next one (1) year.

**36.4** Lafarge Africa Plc provided a shareholder's guarantee to one of its investee companies, CBI Ghana for a construction project. The value of the guarantee is USD 9.42million and this was executed through a deed of guarantee effective on 5 February 2018 and runs up unto the project completion date.

### 37 Contingent liabilities

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Lafarge Africa Plc</b>				
Various litigations and claims (Note 37.1)	4,931,438	224,930	4,830,438	224,930
Letters of credit (Note 37.2)	3,949,640	9,926,162	3,949,640	9,926,162
<b>Lafarge South Africa Holdings Limited</b>				
Suretyship to Standard Bank on overdraft	-	248,900	-	-
Utilities guarantees (Note 37.3)	-	880,456	-	-
Rehabilitation guarantees (Note 37.4)	-	2,769,868	-	-
	<b>8,881,078</b>	<b>14,050,316</b>	<b>8,780,078</b>	<b>10,151,092</b>

**37.1** 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 ₦4.9 billion and ₦4.8 billion for the Group and Company respectively (2018: ₦225 Million for both Group and Company).

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.

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

**37.3** The Utilities guarantees are for the benefit of various municipalities and are held with numerous financial institutions.

**37.4** These are bank guarantees issued on behalf of the Department of Mineral Resources.

**37.5** The Group and Company are currently involved in a compliance exercise by the tax authority. Management has appealed the assessment in its entirety due to the fact that the information used in the assessment was not based on the audited financial statements. The amount of the assessment has not been disclosed because the Directors are of the opinion that the information may be prejudicial to the Group's case. Reconciliation meetings have been scheduled with the tax authorities but no revised assessment has been issued as at the date these financial statement were approved. In the opinion of the Directors, the liabilities, if any, are not likely to be material but the amount cannot be determined with sufficient reliability.

### 38 Related party transactions

#### 38.1 Ultimate parent entity

The ultimate parent entity of the Group is LafargeHolcim, 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 9.4).

#### 38.2 Subsidiaries

Subsidiaries are set out in Note 18.1.

#### 38.3 Transactions with related parties

The following transactions occurred with related parties during the year:

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Sales of goods and services</b>				
AshakaCem Limited	-	-	601,311	3,171,340
Lafarge Holcim Trading	-	1,253,532	-	1,253,532
<b>Total transaction value</b>	<b>-</b>	<b>1,253,532</b>	<b>601,311</b>	<b>4,424,872</b>

## Purchase of goods and services

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Lafarge Holcim Trading	1,506,610	-	1,506,610	-
<b>Total transaction value</b>	<b>1,506,610</b>	<b>-</b>	<b>1,506,610</b>	<b>-</b>

Goods were sold to related parties during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

	Nature of transaction	Group		Company	
		31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Others</b>					
AshakaCem Limited	Dividends received - Subsidiary	-	-	7,934,772	-
Lafarge Energy Solution	Fuel	-	-	-	-
Cimenteries Du Cameroun	Employee Related	-	-	-	-
Lafarge Industries South Africa (Pty) Ltd	Employee Related	-	50,094	-	50,094
Holcim (Schweiz) Ag	Services Related	-	-	-	-
Holcim Group Services Ltd	Services Related	-	-	-	-
Lafarge Canada Inc. (West)	Services Related	-	-	-	-
Lafarge International Services Singapore Pte Ltd	Employee Related	-	691,043	-	691,043
Lafargeholcim Middle East & Africa It Service Center	IT Services	-	1,681,551	-	1,681,551
Lafarge S.A Paris	Employee related, capex	-	201,559	-	201,559
Lafarge Building Materials	Employee Related	-	31,199	-	31,199
Lafargeholcim Maroc Afrique	Employee Related	-	-	-	-
Technical Center Europe-Africa	Services Related	10,226	139,859	3,379	139,859
Lafargetechnical Center Vienna Gmbh	Services Related	-	-	-	-
Lafarge Cement Syria	Employee Related	-	10,040	-	-
Mbeya Cement Company Limited	Employee Related	-	1,320	-	1,320
Holcim Trading S.A.	Fuel	-	3,978,168	-	3,978,168
Lafarge Cement Egypt Sae	Payroll and other personnel recharges	-	(4,426)	-	-
Lafarge Malaysia	Services Related	-	-	-	-
Lafarge Building Materials Ltd	Employee Related	63,908	14,511	63,908	14,511



Others (Cont'd)	Nature of transaction	Group		Company	
		31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Lafarge Cementos S.A.U	Employee Related	-	-	-	-
Bamburi Cement Limited	Employee Related	-	(730)	-	-
Lafarge (Beijing) Building Materials Technical Service Co, Ltd	Employee Related	-	2,257	-	2,257
Lafarge S.A Paris	Technical Fees	1,937,691	5,687,341	1,691,467	5,687,341
Holcim Technology Ltd	Technical Fees	2,442,618	5,711,682	2,442,618	3,875,115
Holcim (Maroc) S.A.	Fuel	50,138	123,183	50,138	123,183
Holcim Group Services Ltd	Employee Related	56,312	1,080,110	56,312	416,058
Lafarge S.A Paris (Technical)	Employee Related	-	-	-	-
Lafarge Mea Building Materials S.A.E	Employee Related	-	178,598	-	178,598
Lafarge Industries S.A. (Pty)	Employee Related	940	864	940	864
Lafarge Associated Nigeria Ltd	IT Services	-	315,250	-	315,250
Lafargeholcim Energy Solutions	Employee Related	-	(6,740)	-	(6,740)
Ambuja Cements Limited	Services Related	7,954	-	7,954	-
Holcim (Romania) S.A.	Services Related	2,437	-	2,437	-
HOLCIM (SINGAPORE) PTE LTD	Services Related	59,977	-	44,675	-
HOLCIM TRADING FZCO	Services Related	315,879	-	315,879	-
Hima Cement Rwanda Ltd	Employee Related	-	1,618	-	1,618
Bamburi Cement Ltd	Employee Related	-	(2,228,436)	-	(2,228,436)
Lafarge Cement	Employee Related	-	7,909	-	7,909
Société Financière Immobilière Et Mobilière "Sofimo"	Employee Related	-	(239)	-	(239)
Lafarge Cameroun Cement	Employee Related	-	3,132	-	3,132
Associated International Cement Ltd	Employee Related	-	161,103	-	161,103
Lafargeholcim Building Materials (China)	Employee Related	-	8,053	-	-
Lafarge Sa (Paris) - Pay	Fuel	-	1,637,251	-	-

Others (Cont'd)	Nature of transaction	Group		Company	
		31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Lafarge Tcea	Employee Related	-	11,318	-	-
Lafarge Middle East And Africa	Employee Related	-	112	-	-
Lafarge Intern Serv Singapore	Employee Related	-	8,271	-	-
Readymix Gulf Limited	Employee cost	-	629	-	-
Lafarge Concrete Malaysia	Technical Fees	-	2,747	-	-
Bazian Cement Co Ltd	Technical Fees	-	(42,966)	-	-
Holcim (Azerbaijan) Ojsc	Payroll and other personnel recharges	-	(37,520)	-	-
Holcim (Bulgaria) Ad	Payroll and other personnel recharges	-	(16,649)	-	-
Holcim (Deutschland) Gmbh	Payroll and other personnel recharges	-	6,103	-	-
Holcim (Us) Inc.	Payroll and Personnel recharges Payments	-	71,175	-	-
Lafarge Canada (West)	Payroll and other personnel recharges	-	48,810	-	-
Lafarge Cement Egypt Sae	Payroll and other personnel recharges	9,452	(4,426)	9,452	-
Lafarge Cement Zimbabwe	Payroll and Personnel recharges	-	10,323	-	-
Lafarge International Services	Payroll and other personnel recharges	704,749	16,605	689,447	-
Lafarge Mea Building Material Sae	Payroll and other personnel recharges	48,625	(13,796)	48,625	-
Lafarge SA	Group Insurance	-	1,263,765	-	-
Lafarge Zambia Plc	Payroll and Personnel recharges	8,781	(130)	8,781	-
Lafargeholcim (Brasil) S.A.	Payroll and other personnel recharges	-	(42,490)	-	-
Lafargeholcim Mea It Services Cente	IT services	703,990	(1,902,374)	703,990	-
Lafargeholcim North America	Payroll and Personnel recharges	-	113,710	-	-
Peotona Ash Resources (Pty)Ltd	Group Insurance	-	(1,261)	-	-
Associated Pan Malaysia Cement Sdn	Payroll, personnel costs recharges	-	(16,354)	-	-
Cimencam	Training	-	2,291	-	-
Hima Cement Ltd	Payroll, personnel costs recharges	-	(85)	-	-

Others (Cont'd)	Nature of transaction	Group		Company	
		N'000	N'000	N'000	N'000
Lafarge Cement Malawi	Payroll, personnel costs recharges	-	(2,128)	-	-
Lafarge Mea Building Materials	Payroll, personnel costs recharges	-	16,191	-	-
Lafarge S. A.	Payroll, personnel costs recharges	-	(83,339)	-	-
Lafarge Zambia	Payroll, personnel costs recharges	-	(17,173)	-	-
Lafargeholcim Ltd.	Geocycle project/Branding	-	16,527	-	-
Lafargeholcim Mea It	Payroll, personnel costs recharges	-	320,115	-	-
LH Trading Ltd	Payroll, personnel costs recharges	37,732	453	37,732	-
Mibeya Cement	Payroll, personnel costs recharges	-	53,441	-	-
Sa Technical Center Europa Africa	Payroll, personnel costs recharges	-	32,110	-	-
Holcim (ESPAÑA) S. A	Services Related	-	-	-	-
<b>Total transaction value</b>		<b>8,904,026</b>	<b>25,002,811</b>	<b>16,555,124</b>	<b>19,201,432</b>

#### 38.4 Outstanding balances arising from sales/purchases of goods and services

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

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
<b>Trade receivables:</b>				
Atlas Cement Limited	-	-	-	-
AshakaCem Limited	-	-	642,597	-
Lafarge Holcim Trading	-	-	-	-
Lafarge Ready-mix Nigeria Limited	-	-	-	204,722
	-	-	<b>642,597</b>	<b>204,722</b>
<b>Technical fees:</b>				
Lafarge S.A Paris	1,426,200	11,297,873	1,163,785	6,776,931
Holcim Technology Ltd	4,265,189	2,262,350	4,265,189	2,262,350
	<b>5,691,389</b>	<b>13,560,223</b>	<b>5,428,974</b>	<b>9,039,281</b>

The sale of goods to/from related parties were carried out on commercial terms and conditions and 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.

#### 38.5 Other receivables from and payables to related parties

Other receivables			Group		Company	
			31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
AshakaCem Plc	Subsidiary	Back end expenses and System, application & support cost	-	-	11,782,056	-
Lafarge Ready-mix Limited	Subsidiary	Back end expenses.	-	-	-	4,158,766
Lafarge S.A.	Fellow subsidiary	Back end expenses.	36,424	-	42,862	-
Lafarge Cement Zimbabwe	Fellow subsidiary	Back end	-	-	-	-

Lafarge Associated Nigeria Ltd	Fellow subsidiary	expenses. Back end expenses.	180,397		180,397	
Holcim Services EMEA Spain	Fellow subsidiary	Back end expenses.	4,644		4,644	
Lafarge Cement Malawi	Fellow subsidiary	Back end expenses.	-	-	-	-
Hima Cement Limited	Fellow subsidiary	Back end expenses.	-	-	-	-
Mbeya cement	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge service group	Fellow subsidiary	Back end expenses.	-	-	-	-
LafargeHolcim Energy Solutions	Fellow subsidiary	Back end expenses.	-	73,843	-	73,843
Cementia Holding AG	Fellow subsidiary	Back end expenses.	-	-	-	-
Climenteries DU Cameroun	Fellow subsidiary	Back end expenses.	-	-	-	-
Associated International Cement Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Cementos S.A.U	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Associated Nigeria Ltd	Fellow subsidiary	Back end expenses.	-	180,397	-	180,397
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.	-	1,105,680	-	1,641
Associated Pan Malaysia Cement Sdn Bhd	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Zambia Plc	Fellow subsidiary	Back end expenses.	-	-	-	-
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	-	29,345	-	-
Lafarge MEA Building Materials S.A.E	Fellow subsidiary	Back end expenses.	-	24,069	-	-
MBEYA Cement Company Limited	Fellow subsidiary	Back end expenses.	-	95,428	-	-
CIMENTERIES DU CAMEROUN	Fellow subsidiary	Back end expenses.	-	2,290	-	-
Lafarge SA	Fellow subsidiary	Back end expenses.	-	45,175	-	-
Hima Cement Rwanda Limited	Fellow subsidiary	Back end expenses.	-	10,332	-	10,332
Lafarge Zambia Plc	Fellow subsidiary	Back end expenses.	-	10,781	-	8,712
Lafarge Services Group	Fellow subsidiary	Back end expenses.	-	15,761	-	-
LafargeHolcim Ltd	Fellow subsidiary	Back end expenses.	-	18,219	-	-
Lafarge Cement Malawi Ltd	Fellow subsidiary	Back end expenses.	-	373	-	-
Associated Pan Malaysia Cement Sdn Bhd	Fellow subsidiary	Back end expenses.	-	1,469	-	-
Hima Cement Limited Uganda	Fellow subsidiary	Back end expenses.	-	124	-	-
Technical Center Europe-Africa	Fellow subsidiary	Back end expenses.	-	32,108	-	-
LH Trading Ltd	Fellow subsidiary	Back end expenses.	-	4,530	-	-
Holcim Technology Ltd	Fellow subsidiary	Back end expenses.	-	5,700	-	-
Bamburi Cement Ltd	Fellow subsidiary	Back end expenses.	-	723	-	-
			<b>221,465</b>	<b>1,656,347</b>	<b>12,009,959</b>	<b>4,433,691</b>

Other payables			Group		Company	
			31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Lafarge S.A	Subsidiary	Back end expenses.	593,191	-	610,514	-
Holcim technology limited	Fellow subsidiary	Back end expenses.	1,134,370	-	1,003,781	-
Lafarge Cement Zimbabwe	Fellow subsidiary	Back end expenses.	-	-	-	-
Ashakacem PLC	Fellow subsidiary	Back end expenses.	-	-	11,849,784	1,433,135
Lafarge North America	Fellow subsidiary	Back end expenses.	-	-	-	-
Bazian Cement Co Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Beocinka Fabrika Cementa	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Canada	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Cement Cameroun	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Malaysia	Fellow subsidiary	Back end expenses.	157	8,663	157	8,663
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	(263,704)	368,664	(121,588)	324,555
Lafarge S.A. U	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Building Materials Holding	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge MEA Building Materials S.A.E	Fellow subsidiary	Back end expenses.	211,851	101,406	209,426	74,033
Hima Cement Limited Uganda	Fellow subsidiary	Back end expenses.	-	-	-	-
Bamburi Cement Ltd	Fellow subsidiary	Back end expenses.	-	57,734	-	57,734
Holcim (Maroc) S.A.	Fellow subsidiary	Back end expenses.	-	7,460	-	7,460
Lafarge Cement Syria	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Beijing Building Materials	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	-	-	-	-
Holcim Trading S.A.	Fellow subsidiary	Back end expenses.	228,548	324,287	228,548	324,287
LafargeHolcim (Brasil) S.A.	Fellow subsidiary	Back end expenses.	-	-	-	-
Technical Center Europe-Africa	Fellow subsidiary	Back end expenses.	13,695	134,293	13,695	134,293
Lafarge Shipping Services Limited	Fellow subsidiary	Back end expenses.	-	-	-	-
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.	-	4,610,636	-	1,156,813
Holcim Services EMEA Spain	Fellow subsidiary	Back end expenses.	366,396	-	366,396	-
Lafarge Associated Nigeria Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-
Holcim (Deutschland) GmbH	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge International Services Singapore Pte Ltd	Fellow subsidiary	Back end expenses.	113,873	127,245	-	98,321
Lafarge ReadyMix Nigeria	Fellow subsidiary	Back end expenses.	-	-	-	47,477

Other payables (cont'd)			Group		Company	
			31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Holcim (US) Inc.	Fellow subsidiary	Back end expenses.	-	-	-	-
Holcim Bulgaria AD	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Zambia Plc	Fellow subsidiary	Back end expenses.	-	-	-	-
Holderfin Netherland	Fellow subsidiary	Back end expenses.	-	-	-	-
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.	823	60,229	823	60,229
Lafarge Building Materials Limited	Fellow subsidiary	Back end expenses.	60,499	46,164.00	60,499	46,164.00
Holcim Technology Ltd	Fellow subsidiary	Back end expenses.	-	1,548,482.49	-	1,467,851.00
Lafargeholcim España, S.A.U.	Fellow subsidiary	Back end expenses.	25,884	26,960.00	25,884	26,960.00
Lafargeholcim Building Materials (China) Co., Ltd	Fellow subsidiary	Back end expenses.	35,900	11,528.00	-	11,528.00
LH Trading Ltd	Fellow subsidiary	Back end expenses.	42,531	208,397.00	42,531	208,397.00
Lafargeholcim Maroc	Fellow subsidiary	Back end expenses.	4,932	3,895.00	4,932	3,895.00
Lafarge Cement Technical Center Vienna Gmbh	Fellow subsidiary	Back end expenses.	1,117	2,095.00	1,117	2,095.00
Lafarge Material UK	Fellow subsidiary	Back end expenses.	-	57,404.00	-	57,404.00
Holcim Azerbaijan	Fellow subsidiary	Back end expenses.	-	39,700.00	-	-
Lafargeholcim Bangladesh Limited	Fellow subsidiary	Back end expenses.	-	20,310.00	-	-
Holcim Belgique	Fellow subsidiary	Back end expenses.	-	18,506.00	-	-
Holcim Bulgaria Ad	Fellow subsidiary	Back end expenses.	-	22,028.00	-	-
Lafargeholcim (Brasil) S.A.	Fellow subsidiary	Back end expenses.	-	45,773.00	-	-
Holcim (Deutschland) Gmbh	Fellow subsidiary	Back end expenses.	-	13,217.00	-	-
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	-	7,193.00	-	-
Bazian Cement Co Ltd	Fellow subsidiary	Back end expenses.	-	47,913.00	-	-
Lafarge Beocinska Fabrika Cementa	Fellow subsidiary	Back end expenses.	-	946.00	-	-
Hima Cement Limited Uganda	Fellow subsidiary	Back end expenses.	-	423.00	-	-
Lafarge Cement Zimbabwe Ltd	Fellow subsidiary	Back end expenses.	-	5,526.00	-	-
Lafarge Zambia Plc	Fellow subsidiary	Back end expenses.	-	324.00	-	-
LafargeHolcim Energy Solutions	Fellow subsidiary	Back end expenses.	(75,020)	-	(75,020)	-
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	634	-	634	-
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	94,454	-	94,454	-
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	5,652	-	5,652	-
Lafarge Associated Nigeria Ltd	Fellow subsidiary	Back end expenses.	6,033	-	6,033	-
LH Trading PTE Ltd	Fellow subsidiary	Back end expenses.	-	-	-	-

Holcim Trading FZCO	Fellow subsidiary	Back end expenses.	301	-	301	-
Hima Cement Rwanda Limited	Fellow subsidiary	Back end expenses.	(14,543)	-	(24,543)	-
Wapsila Nigeria Limited	Fellow subsidiary		-	-	10,000	10,000
			<b>2,587,574</b>	<b>7,927,401</b>	<b>14,314,010</b>	<b>5,561,294</b>

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

#### Other related party transactions:

Chapel Hill Advisory Partners Limited acted as the Issuing House for the Company's rights issue in both current year and prior year. Mr. Mobolaji Balogun is a non-executive director of the firm, and he is a non-executive director and the Chairman of the Board of Directors of Lafarge Africa Plc. The amount paid to Chapel Hill partners in the current year was nil (2018: ₦165 million). There are no outstanding amounts due to Chapel Hill Advisory Partners Limited at the end of the year. (2018: Nil)

#### 38.6 Loans from related parties

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
AshakaCem Limited	-	-	4,582,413	12,732,554
Caricement B.V.	-	117,264,211	-	117,264,210
Cemasco, Netherlands	-	23,147,700	-	-
	<b>-</b>	<b>140,411,911</b>	<b>4,582,413</b>	<b>129,996,764</b>

#### 38.7 Loans to related party

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Loan to CBI Ghana	<b>1,762,507</b>	<b>1,739,739</b>	<b>1,762,507</b>	<b>1,739,739</b>

#### 38.8 Key management personnel compensation

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Salaries and other short term employee benefits	1,381,999	1,894,996	1,381,999	1,525,518
Post-employment benefits	78,232	105,610	78,232	105,610
<b>Total</b>	<b>1,460,231</b>	<b>2,000,606</b>	<b>1,460,231</b>	<b>1,631,128</b>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. There are no post-employment benefits due to key management.

#### 38.9 Directors and employees

##### Directors

	Group		Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Directors' emolument comprise:				
Salaries/fees	292,650	249,614	292,650	249,614
Sitting allowance and other benefits	51,665	289,288	51,665	289,288
	<b>344,315</b>	<b>538,902</b>	<b>344,315</b>	<b>538,902</b>

Fees and other emoluments disclosed above include amount paid to:

	Salaries/Fees		Sitting allowance		Other benefits		Total	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Executive Director</b>								
Khaled Abdel Aziz El Dokani	-	-	-	-	-	-	-	-
Michel Pucheros	271,650	228,614	-	-	10,727	83,718	282,377	312,332
<b>Non- Executive Directors</b>								
Mobolaji Balogun	5,000	5,000	6,500	6,600	3,708	-	15,208	11,600
Adebode Adefioye	4,000	4,000	10,040	6,100	2,500	-	16,540	10,100
Adenike Ogunlesi	4,000	4,000	6,840	4,300	250	-	11,090	8,300

Elenda Giwa- Amu	4,000	4,000	9,400	4,700	-	-	13,400	8,700
Shamsuddeen Usman	4,000	4,000	1,700	6,400	-	-	5,700	10,400
Karine Uzan Mercie	-	-	-	-	-	-	-	-
Rossen Papazov	-	-	-	-	-	-	-	-
Marco Licata	-	-	-	-	-	-	-	-
Grant Earnshaw	-	-	-	-	-	-	-	-
Christof Hassig	-	-	-	-	-	-	-	-
Jean-Philippe Beanrd	-	-	-	-	-	-	-	-
Geraldine Picaud	-	-	-	-	-	-	-	-
Adebayo Jimoh	-	-	-	1,270	-	70,000	-	71,270
Umaru Kwairanga	-	-	-	800	-	100,000	-	100,800
Jean-Carlos Angulo	-	-	-	2,300	-	-	-	2,300
Sylvie Rochier	-	-	-	3,100	-	-	-	3,100
	<b>292,650</b>	<b>249,614</b>	<b>34,480</b>	<b>35,570</b>	<b>17,185</b>	<b>253,718</b>	<b>344,315</b>	<b>538,902</b>

Salaries/Fees represent annual remuneration, bonus paid, long term benefits and pensions while other benefits are related to Benefits in Nigeria

### Employees

The average number of full time employees employed during the year:

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	N'000	N'000	N'000	N'000
Managerial staff	115	151	103	116
Senior staff	1,004	1,299	815	905
Junior staff	209	1,514	105	93
	<b>1,328</b>	<b>2,964</b>	<b>1,023</b>	<b>1,114</b>

The average number of employees in the group employed during the year by geographical location:

	Dec 31 2019		Dec 31 2018	
	Nigeria	South Africa	Nigeria	South Africa
Managerial staff	115	-	133	18
Senior staff	1,004	-	1,170	129
Junior staff	209	-	308	1,206
	<b>1,328</b>	<b>-</b>	<b>1,611</b>	<b>1,353</b>

The aggregate payroll costs:

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	17,417,142	36,205,104	15,475,537	15,121,809
Pension and social benefits	1,278,696	837,651	979,402	809,531
Staff training	152,041	121,568	143,058	121,568
	<b>18,847,879</b>	<b>37,164,323</b>	<b>16,597,997</b>	<b>16,052,908</b>

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

Range (N)	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	Number	Number	Number	Number
Up to 1,000,000	12	38	6	2
1,000,001 - 3,000,000	241	833	132	223
3,000,001 - 5,000,000	577	827	427	398
5,000,001 - 7,000,000	185	507	163	221
7,000,001 - 10,000,000	140	285	132	114
Above 10,000,000	173	474	163	156
	<b>1,328</b>	<b>2,964</b>	<b>1,023</b>	<b>1,114</b>

### 39 Events after the reporting period

The evolution of COVID-19, an infectious disease recently declared as a pandemic by the World Health Organisation, as well as its impact on the global economy, and more specifically, on the Group's activities, is hard to predict at this stage. The Group is monitoring the situation to ensure the safety of its staff as well as to adapt its services and operations.

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



### Other National Disclosures

For the year ended 31 December 2019

Group	31 Dec 2019		31 Dec 2018	
	N'000	%	N'000	%
Revenue	212,999,066	276	308,425,456	341
Bought in materials and services	-	-	-	-
Local	(129,372,772)	(168)	(205,274,250)	(227)
Imported	(11,911,066)	(15)	(15,885,814)	(18)
Other income and finance income	5,510,287	8	3,103,161	4
<b>Value added</b>	<b>77,225,515</b>	<b>101</b>	<b>90,368,553</b>	<b>100</b>

Applied as follows:

**To pay employees**

Wages, salaries and other benefits	18,847,879	24	37,164,323	41
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**To pay providers of capital:**

Finance costs	18,865,493	24	34,146,148	38
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**To pay government:**

Income tax expense	1,174,692	2	1,351,245	1
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**Retained in the business****To maintain and replace:**

Property, plant and equipment	22,288,279	29	22,288,279	25
Intangible assets	531,386	1	4,220,284	5
To augment/(deplete) reserves	15,517,786	20	(8,801,726)	(10)

<b>Value added</b>	<b>77,225,515</b>	<b>100</b>	<b>90,368,553</b>	<b>100</b>
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Company	31 Dec 2019		31 Dec 2018	
	N'000	%	N'000	%
Revenue	188,407,004	247	187,043,475	260
Bought in materials and services	-	-	-	-
Local	(114,486,727)	(150)	(99,452,106)	(138)
Imported	(10,495,388)	(14)	(18,193,495)	(25)
Other income and finance income	12,868,034	17	2,610,393	3
<b>Value added</b>	<b>76,292,923</b>	<b>100</b>	<b>72,008,267</b>	<b>100</b>

Applied as follows:

**To pay employees**

Wages, salaries and other benefits	16,597,997	22	16,052,908	22
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**To pay providers of capital:**

Finance costs	19,721,459	26	32,152,046	45
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**To pay government:**

Income tax expense	350,577	-	84,876	-
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**Retained in the business****To maintain and replace:**

Depreciation of plant, property and equipment	16,369,888	21	16,369,888	23
Intangible assets	531,386	1	3,206,785	4
To augment reserves	22,721,616	30	4,141,764	7

<b>Value added</b>	<b>76,292,923</b>	<b>100</b>	<b>72,008,267</b>	<b>100</b>
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Group	IFRS				
	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
<b>Financial position</b>					
<b>Capital employed:</b>					
Ordinary share capital	8,053,899	4,336,715	2,787,888	2,740,367	2,277,451
Share premium	435,148,731	350,945,748	222,272,108	217,528,456	186,419,988
Retained earnings	155,801,325	138,272,355	160,257,556	102,842,886	100,992,758
Deposit for shares	-	-	130,416,872	-	-
Foreign currency translation reserve	39,103	9,364,261	9,935,643	(8,660,486)	(10,156,641)
Other reserves on business combination and re-organisation	(254,129,057)	(368,683,312)	(368,683,312)	(256,899,951)	(162,185,111)
Non-controlling interest	-	305,322	-	191,401,276	58,803,285
<b>Total equity</b>	<b>344,914,001</b>	<b>134,541,089</b>	<b>156,986,755</b>	<b>248,952,548</b>	<b>176,151,730</b>
<b>Represented by:</b>					
<i>Non-current assets</i>					
Property, plant & equipment	369,797,229	394,488,764	393,651,934	390,240,816	364,397,318
Intangible assets	3,202,068	6,194,518	2,634,326	1,563,499	1,548,927
Investment in joint ventures	-	-	-	89,551	27,410
Other financial assets	767,253	1,301,148	1,582,622	423,921	9,980,526
Other assets	20,345,783	16,671,760	20,803,113	9,790,605	291,765
Deferred tax assets	27,994,154	28,720,032	17,514,432	7,641,003	-
	422,106,487	447,376,222	436,186,427	409,749,395	376,245,946
Net current liabilities	(9,366,049)	(119,289,276)	(189,550,565)	(85,039,599)	(18,289,488)
	412,740,438	328,086,946	246,635,862	324,709,796	357,956,458
<i>Non-current liabilities</i>					
Borrowings	(52,664,863)	(172,373,209)	(68,715,378)	(68,221,773)	(135,465,180)
Deferred tax liabilities	(9,966,699)	(10,200,112)	(11,025,943)	-	(32,937,323)
Provisions	(1,011,285)	(3,645,751)	(3,472,388)	(2,200,640)	(2,576,567)
Deferred revenue	(2,307,466)	(2,597,602)	(1,518,467)	(1,554,673)	(2,133,748)
Employee benefits obligation	(1,876,124)	(4,729,183)	(4,916,931)	(3,780,162)	(7,542,345)
Other long term liabilities	-	-	-	-	(1,149,565)
	(67,826,437)	(193,545,857)	(89,649,107)	(75,757,248)	(181,804,728)
<b>Net assets</b>	<b>344,914,001</b>	<b>134,541,089</b>	<b>156,986,755</b>	<b>248,952,548</b>	<b>176,151,730</b>
<b>Net assets per share (Naira)</b>	<b>2,141</b>	<b>1,551</b>	<b>2,816</b>	<b>4,542</b>	<b>3,867</b>

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.

Group	IFRS				
	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
<b>Financial result</b>					
<b>Continuing operation:</b>					
Revenue	212,999,066	217,813,136	299,153,305	219,714,112	267,234,239
Profit/(loss) before minimum tax	17,892,285	(1,509,768)	(34,032,277)	(22,818,718)	29,286,847
Profit/(loss) for the year from continuing operation	15,517,786	8,097,031	(34,601,409)	16,898,781	27,162,969
<b>Discontinued operation:</b>					
Profit/(loss) after tax from discontinued operation	99,586,566	(16,898,757)	-	-	-
<b>Profit/(loss) for the year</b>	<b>115,104,352</b>	<b>(8,801,726)</b>	<b>(34,601,409)</b>	<b>16,898,781</b>	<b>27,162,969</b>
Dividend proposed	16,107,796	-	13,010,143	5,754,771	14,904,233
Profit/(loss) after tax for the year					
Per share data (Kobo)					
Earnings - Basic (continuing operation)	96	93	(637)	315	574
Earnings - Basic (continuing & discontinued operation)	715	(105)	-	-	-
Dividend proposed (kobo)	100	-	105	105	300
Dividend cover (times)	0.96	-	(6.1)	3.00	1.9
Net assets	2,141	1,551	2,816	4,542	3,867

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


Company	IFRS				
	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
<b>Financial position</b>					
<b>Capital employed:</b>					
Ordinary share capital	8,053,899	4,336,715	2,787,888	2,740,367	2,277,451
Share premium	435,148,731	350,945,748	222,272,108	217,528,456	186,419,988
Retained earnings	111,857,805	92,140,223	100,970,988	119,825,320	113,904,430
Deposit for shares	-	-	130,416,872	-	-
Foreign currency translation reserve	39,103	39,103	39,103	-	-
Other reserves on business combination and reorganisation	(193,677,979)	(191,718,064)	(191,718,064)	-	-
<b>Total equity</b>	<b>361,421,559</b>	<b>255,743,725</b>	<b>264,768,895</b>	<b>340,094,143</b>	<b>302,601,869</b>
<b>Represented by:</b>					
<i>Non current assets</i>					
Property, plant & equipment	308,650,770	291,775,732	292,872,779	114,617,300	118,251,256
Intangible assets	2,506,810	3,204,505	-	-	-
Investments in subsidiaries	63,906,867	178,923,532	182,088,406	243,891,263	211,903,225
Investment in joint venture	-	-	-	73,133	-
Other financial assets	767,253	1,134,509	1,556,738	92,143,118	18,139,971
Other assets	18,772,032	15,073,457	14,984,747	-	-
Deferred tax assets	27,994,154	27,950,907	16,333,384	-	-
	422,597,886	518,062,642	507,836,054	450,724,814	348,294,452
Net current liabilities/assets	(11,732,271)	(114,241,023)	(174,121,882)	(25,718,849)	(14,578,906)
Non current liabilities	410,865,615	403,821,619	333,714,172	425,005,965	333,715,546
Borrowings	(45,899,963)	(144,391,743)	(64,900,757)	(64,014,218)	(5,672,992)
Deferred tax liabilities	-	-	-	(18,031,333)	(18,900,873)
Provisions	(547,403)	(618,970)	(909,320)	(563,468)	(792,578)
Deferred revenue	(1,345,039)	(1,455,770)	(1,518,467)	(722,496)	(752,600)
Employee benefits obligation	(1,651,651)	(1,611,411)	(1,616,733)	(1,580,307)	(4,994,634)
	(49,444,056)	(148,077,894)	(68,945,277)	(84,911,822)	(31,113,677)
<b>Net assets</b>	<b>361,421,559</b>	<b>255,743,725</b>	<b>264,768,895</b>	<b>340,094,143</b>	<b>302,601,869</b>
<b>Net assets per share (Naira)</b>	<b>2,244</b>	<b>2,949</b>	<b>4,749</b>	<b>6,205</b>	<b>8,553</b>

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.

Company	IFRS				
	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
<b>Financial result</b>					
Revenue	188,407,004	187,043,475	177,170,362	87,198,416	114,558,245
Profit/(loss) before minimum tax	24,318,017	(7,408,583)	(7,098,191)	19,888,762	30,918,773
Profit/(loss) for the year	22,721,616	4,141,764	(13,223,626)	20,778,348	29,837,395
Dividend proposed	16,107,796	-	13,010,143	5,754,771	14,904,233
Per share data (Kobo)					
Earnings - Basic (continuing & discontinued operation)	141	48	(240)	394	594
Earnings - Basic (discontinued operation)	141	48	-	-	-
Dividend proposed (kobo)	100	-	150	105	300
Dividend cover (times)	1.4	-	(1.6)	3.8	3.0
Net assets per share (Naira)	2,244	2,949	4,749	6,205	8,553

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

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