



BUA Cement Plc RC 119 3879

# Unaudited Financial Statements

FOR THE THREE MONTHS &  
NINE MONTH ENDED  
30TH SEPTEMBER 2021





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# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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The following are the significant accounting policies adopted by the company in the preparation of its Financial Statements.

## 1. BASIS OF PREPARATION

These Financial Statements have been prepared in compliance with IAS 34 Interim Financial Reporting and relevant International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (the IASB).

These Financial Statements were prepared under the historical cost convention.

The principal accounting policies applied in the presentation of the Financial Statements are set out below. These policies have been applied to all the periods presented except for the adoption of new accounting policies.

## 2. REVENUE

Revenue is measured at fair value of the consideration received or receivable net of value added tax, excise duties returns, customers discounts and other sales related discounts.

Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectibility has been ascertained as probable. Collectibility of customers payment is ascertained from the customers historical records, guarantees provided, and advance payments made if any.

The four steps recognition process for revenue is listed below:

- identify the contract with a customer
- identify the performance obligation in the contract
- determine the transaction price
- allocate the price to the performance obligation
- recognise revenue

## 3. COST OF GOODS SOLD

These are the cost of internally produced goods sold. The cost of internally produced goods include directly attributable costs such as the cost of direct materials, direct labour, and energy costs, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes write-downs of inventories where necessary.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### 4. SELLING AND DISTRIBUTION EXPENSES

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Comprises the cost of marketing, cost of organising the sales process and distribution.

### 5. FOREIGN CURRENCY

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Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (=N=).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognised in the foreign exchange gain or loss in profit or loss.

### 6. FINANCIAL INSTRUMENTS

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Financial instruments represent the Company's financial assets and liabilities. Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognized at fair value plus directly attributable transaction cost except those carried at fair value through profit or loss where transaction cost are recognized immediately in profit or loss.

Financial instruments are recognized (derecognized) on the date the Company commits to purchase (sell) the instruments (trade date accounting).

Financial assets include trade and other receivables, cash and bank balances and certain other assets. Financial liabilities include term loans, bank overdraft, trade and certain other liabilities.

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's has not classified any of its financial assets as held to maturity.

#### **Subsequent measurement**

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classifications below. The company's accounting policy for each category is as follows:

#### **i. Trade and Other Receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

customers, but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty of default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### ii. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash.

### Impairment of financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that trade and other receivables are impaired. Trade and other receivable is impaired if objective evidence indicates that a loss event has occurred after initial recognition and that loss event has a negative effect on the estimated future cash flows of the receivables that can be estimated reliably.

Criteria that are used by the Company in determining whether there is objective evidence of impairment include:

- known cash flow difficulties experienced by the customer;
- a breach of contract, such as default or delinquency in repayment for goods and service;
- breach of credit terms or conditions and;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

### Financial liabilities

These include the following items:

#### i. Bank borrowings

Bank borrowings are initially recognized at fair value, net of any transaction costs incurred. Borrowings are subsequently carried at amortised costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.



## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General and specific borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

### **ii. Trade payables and other short-term monetary liabilities**

These are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method.

### **Fair value**

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. When such valuation models with only observable market data as inputs or the comparison with other observable current market transactions in the same instrument indicate that the fair value differs from the transaction price, the initial difference will be recognised in the profit or loss immediately.

The Company does not have any financial instruments (derivatives, etc.) that warrant such valuation method.

### **Derecognition of financial instruments**

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or where the company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts being recognized in profit or loss.

### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in event of default, insolvency or bankruptcy of the Company or counterparty.

### 7. RETIREMENT BENEFITS

The Company operates two defined benefit schemes for its employees: Defined Contribution Scheme and Defined Benefit Scheme. The defined pension contribution plan is based on a percentage of pensionable earnings funded through contributions from the Company (10%) and employees (8%). The fund is administered by the Pension Fund's administrators. Contributions to this plan are recognised as an expense in the profit or loss in the periods during which services are rendered by employees.

Defined benefit schemes also referred to as employee end of service gratuities are regarded as post-employment benefits. This scheme was terminated effective from 31st December, 2019, hence discontinuation of accruals on this plan.

### 8. INTANGIBLE ASSETS

#### Licences

Licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### Software

Cost associated with acquiring software programmes are capitalised at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### Exploration assets

Exploration assets are carried at cost less accumulated amortisation and impairment losses. The accumulated capitalised costs from exploration assets are amortised over the expected total production using a units of production (UoP) basis. UoP is the most appropriate amortisation method because it reflects the pattern of consumption of the reserves' economic benefits.

The Company amortises other intangible assets with a limited useful life using the straight line method over the following periods:

	Useful life(years)
Licenses	2-5
Software	3



## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### 9. CURRENT TAXATION

The tax for the period comprises current, education and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

### 10. DEFERRED TAXATION

Deferred tax is recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

### 11. DIVIDENDS

Dividends are recognized when they become legally payable. Dividend distribution to the Company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividend is approved by the company's shareholders at the AGM or when paid.

### 12. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance cost are charged to the profit or loss during the financial period in which they are incurred.

Capital work in progress are not depreciated. Depreciation of assets commences when assets are available for use. Depreciation on other assets are calculated using straight line method over their expected useful economic lives as follows:

	<u>Useful life (years)</u>
Land	Not depreciable
Quarry Equipment	6 - 25
Buildings	30-50
Plant and Machinery	3 - 40
Furniture and Fittings	5
Tools and Laboratory equipment	5
Trucks	4

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Computer and Office Equipments	5
Motor vehicles	4
Construction Work in Progress	Nil

These assets residual values and useful lives are reviewed and adjusted if appropriate at end of the reporting year.

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

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefit are expected from its use or disposal. Gains or losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expenses-net in profit or loss.

Quarry exploration and evaluation expenditures are accounted for using the successful efforts method of accounting. Costs are accumulated on a quarry by quarry basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with quarry and exploration are capitalised until the determination of minable reserves is evaluated. If it is determined that commercial discovery has been achieved, these cost are charged as expenses.

Capitalisation is made with property, plants and equipment or intangible assets according to the nature of the expenditure. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible or intangible assets. No depreciation and/or amortisation is charged during the exploration and evaluation period.

### 13. INVENTORIES

Inventories are stated at the lower of cost and net realizable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

- Raw materials, spare parts and consumables: Actual costs include transportation, handling charges and other related costs.
- Work in progress and finished goods: Cost of direct materials, direct labour and other direct cost plus attributable overheads based on standard costing.
- Finished Goods: Direct cost plus all production overheads.

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

the ordinary course of business, less estimated costs of completion and the estimated cost to sell.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

### 14. RELATED PARTY DISCLOSURES

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Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- Entities over which the company exercises significant influence
- Shareholders and key management personnel of the Company
- Close family members of key management personnel
- Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the Company.

Key management personnel comprise the Board of Directors and key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company.

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation method.

### 15. BASIC EARNINGS PER SHARE

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Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

### 16. PROVISIONS

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Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated.

Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

### 17. BORROWING COSTS CAPITALISED

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Borrowing costs that relate to qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value, are capitalized.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

All other borrowing costs are recognized in profit or loss.

### 18. RIGHT OF USE ASSET

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Right of use asset are initially measured at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs

The Right of Use and lease liability are presented separately from other non-lease assets and liability in the statement of financial position.

### 19. LEASES

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The Company primarily leases building used as offices and warehouse. The lease terms are typically for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts them as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions including extension and termination options. The lease agreement do not impose any covenants; however, leased assets may not be used as security for borrowing purposes.

### 20. SEGMENT REPORTING

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Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as BUA Cement leadership team which comprises of the Board of Directors and other executive officers.

### 21. GOVERNMENT GRANT

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Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate.

### 22. COMPARATIVE FIGURES

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Where necessary, comparative figures with notes have been restated to conform to changes in presentation in the current year.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### 23. SECURITIES TRADING POLICY

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In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers' Rules), Bua Cement Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's securities. The policy is periodically reviewed by the Board and updated. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

### 24. FREE FLOAT DECLARATION

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BUA Cement Plc with a free float value of N37,708,627,968 as at 30th September 2021 is compliant with the free float requirement for the Main Board of the Nigeria Stock Exchange.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2021

02

	Notes	UNAUDITED YTD 30 Sept. 2021 =N=	UNAUDITED YTD 30 Sept. 2020 =N=
Revenue	2	186,905,079,625	156,550,012,846
Cost of Sales	6a	(99,654,608,332)	(86,289,968,462)
<b>Gross Profit</b>		<b>87,250,471,293</b>	<b>70,260,044,384</b>
Other Income	3	177,105,097	115,422,383
Selling and Distribution Costs	5	(5,601,844,619)	(5,282,943,905)
Administrative Expenses	6b	(6,133,636,419)	(4,014,481,235)
Impairment write back		-	1,199,095,464
<b>Operating Profit</b>		<b>75,692,095,352</b>	<b>62,277,137,091</b>
Net Finance Costs	4	(1,049,159,440)	(2,873,534,840)
Minimum tax charge	20a	(310,214,771)	(191,844,759)
<b>Profit Before Income Taxes</b>		<b>74,332,721,141</b>	<b>59,211,757,492</b>
Income tax (charge)/credit	20a	(8,426,509,871)	(5,724,508,254)
<b>Profit After Income Taxes</b>		<b>65,906,211,270</b>	<b>53,487,249,238</b>
<b>Other Comprehensive Income:</b>			
Re-measurement of defined benefit obligations (net of tax)	16b	-	-
<b>Total Comprehensive Income</b>		<b>65,906,211,270</b>	<b>53,487,249,238</b>
<b>Basic Earnings Per Share (Kobo)</b>	15	<b>195</b>	<b>158</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2021

03

	Notes	UNAUDITED Q3 2021 =N=	UNAUDITED Q3 2020 =N=
Revenue		62,627,087,936	55,288,611,508
Cost of Sales		(33,496,820,316)	(30,751,094,858)
<b>Gross Profit</b>		<b>29,130,267,620</b>	<b>24,537,516,650</b>
Other Income		104,528,663	67,768,209
Selling and Distribution Costs		(2,105,586,710)	(1,765,052,922)
Administrative Expenses		(1,961,289,688)	(1,291,828,376)
<b>Operating Profit</b>		<b>25,167,919,885</b>	<b>21,548,403,561</b>
Net Finance Costs		(225,047,545)	(1,229,524,394)
Minimum tax charge		(176,898,805)	(54,769,582)
<b>Profit Before Income Taxes</b>		<b>24,765,973,535</b>	<b>20,264,109,585</b>
Income tax (charge)/credit		(2,255,751,510)	(1,516,133,820)
<b>Profit After Income Taxes</b>		<b>22,510,222,025</b>	<b>18,747,975,765</b>
<b>Other Comprehensive Income:</b>			
Re-measurement of defined benefit obligations (net of tax)		-	-
<b>Total Comprehensive Income</b>		<b>22,510,222,025</b>	<b>18,747,975,765</b>
Basic Earnings Per Share (Kobo)	15	66	55

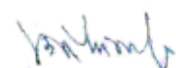


## STATEMENT OF FINANCIAL POSITION

04

	Notes	UNAUDITED 30th Sept 2021 =N=	AUDITED 31st December 2020 =N=
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments	10	557,127,128,666	523,312,829,000
Right of Use Assets	7a	94,264,391	70,490,000
Intangible Assets	11	4,876,766,636	4,284,986,000
Deferred Tax Assets	20c	-	-
<b>Total Non-Current Assets</b>		<b>562,098,159,693</b>	<b>527,668,305,000</b>
<b>Current Assets</b>			
Inventories	8	35,972,341,118	31,505,198,000
Trade and other receivables	9	38,785,649,847	83,307,986,000
Cash and Short Term Deposits	12	55,181,102,260	123,821,089,000
<b>Total Current Assets</b>		<b>129,939,093,225</b>	<b>238,634,273,000</b>
<b>Total Assets</b>		<b>692,037,252,918</b>	<b>766,302,578,000</b>
<b>EQUITY</b>			
Share Capital	13	16,932,177,000	16,932,177,000
Retained Earnings		155,821,719,270	159,915,508,000
Reorganization Reserve	13.2	200,004,179,000	200,004,179,000
Actuarial Reserves	13.3	(897,136,000)	(897,136,000)
<b>Total Equity</b>		<b>371,860,939,270</b>	<b>375,954,728,000</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Long Term Borrowing	14a	47,884,200,383	50,449,387,000
Debt security Issued	14c	115,487,756,955	113,195,044,000
Deferred Income Tax Liabilities	20d	8,778,057,738	1,120,222,000
Government Grant	21b	6,062,778,205	4,632,023,000
Employee Benefit Liability	16a	3,870,559,497	3,645,893,000
Decommissioning Liability	18	10,523,269,561	9,167,775,000
<b>Total Non-Current Liabilities</b>		<b>192,606,622,339</b>	<b>182,210,344,000</b>
<b>Current Liabilities</b>			
Trade and Other Payables	17a	23,406,308,625	23,868,768,000
Contract Liabilities	17b	52,356,295,217	42,138,330,000
Due to Related Companies	19	9,339,173,356	34,497,761,000
Income Tax Liability	20b	1,137,996,733	922,428,000
Short Term Borrowings	14b	40,378,566,944	105,648,512,000
Lease Liability	7b	50,655,434	37,317,000
Government Grant	21a	900,695,000	900,695,000
Decommission Liability	18	-	123,695,000
<b>Total Current Liabilities</b>		<b>127,569,691,309</b>	<b>208,137,506,000</b>
<b>Total Liabilities</b>		<b>320,176,313,648</b>	<b>390,347,850,000</b>
<b>Total Liabilities And Equity</b>		<b>692,037,252,918</b>	<b>766,302,578,000</b>

The financial statements and notes on pages 8 to 24 were approved by the Board of Directors on 21 October, 2021 and signed on its behalf by:



**Engr. Binji Yusuf**  
Managing Director/CEO  
FRC/2013/NSE/00000001746



**Jacques Piekarski**  
Chief Finance Officer  
FRC/2021/003/00000023724



**Chike Ajaero**  
Finance Director  
FRC/2014/ICAN

# UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2021

05

	Share Capital  =N=	Reorganization Reserve Actuarial Benefit of Definite Plan =N=	Reserve Valuation  =N=	Retained Earnings  =N=	Total Equity  =N=
<b>Balance at 1 January 2021</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(897,136,000)</b>	<b>159,915,508,000</b>	<b>375,954,728,000</b>
Merger Shares	-	-			
Profit for the period	-	-	-	65,906,211,270	65,906,211,270
Other comprehensive income for the period	-	-	-	-	-
<b>Transactions with owners</b>					
Dividend	-	-	-	(70,000,000,000)	(70,000,000,000)
<b>Balance at 30 Sept., 2021</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(897,136,000)</b>	<b>155,821,719,270</b>	<b>371,860,939,270</b>
<b>Balance at 1 January 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>146,833,788,000</b>	<b>363,697,242,000</b>
Profit for the period	-	-	-	53,487,249,238	53,487,249,238
Other comprehensive income for the period	-	-	-	-	-
<b>Transactions with owners</b>					
Issue of shares for business combination	-	-	-		
Dividend paid	-	-	-	-	-
<b>Balance at 30 Sept., 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>200,321,037,238</b>	<b>417,184,491,238</b>

# STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED

06

	Unaudited 30th Sept. 2021 =N=	Audited 31st Dec. 2020 =N=
<b>Cash Flows From Operating Activities</b>		
Profit before income taxes	74,332,721,141	78,873,498,000
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and impairment of property, plant and equipment	11,387,669,340	15,199,012,000
Amortisation and impairment of intangible assets	289,581,905	227,871,000
Unrealised foreign exchange losses	295,000,000	616,147,000
Net impairment gain/loss on financial asset	-	(1,355,590,000)
Decommissioning Liability- unwinding of discount	326,459,864	286,949,000
Net finance cost	427,699,576	2,690,303,000
Minimum Tax	310,214,771	171,265,000
Profit/loss on disposal of property, plant & equipment	(684,120)	-
Depreciation of right of use asset	65,069,541	56,191,000
Defined Benefit Plan Amendment	-	1,186,842,000
Provision for end of service benefit obligation	323,743,512	(64,636,000)
<b>Operating profit before working capital changes</b>	<b>87,757,475,530</b>	<b>97,887,852,000</b>
<b>Working Capital Adjustments:</b>		
(Increase)/Decrease in trade and other receivables	44,522,335,392	(80,689,051,000)
(Increase)/Decrease in inventories	(4,467,143,118)	(4,303,619,000)
(Increase)/Decrease in due from related parties	-	17,030,288,000
Increase in prepayment (right of use asset)	(88,843,831)	6,013,000
Increase/(Decrease) in trade and other payables	(462,459,375)	(12,473,090,000)
Increase/(Decrease) in due to related parties	(25,158,587,644)	32,843,327,000
Increase in contract liabilities	10,217,965,217	9,269,385,000
Increase/(Decrease) in Government Grant	-	5,527,017,000
Increase/(Decrease) in provisions	7,200,000	-
<b>Cash generated from operations</b>	<b>112,327,942,171</b>	<b>65,098,122,000</b>
Defined benefit paid during the year	(99,077,015)	(100,775,000)
Interest received	442,496,040	859,618,000
Tax paid	(863,319,999)	(744,369,000)
<b>Net cash flow from operating activities</b>	<b>111,808,041,197</b>	<b>65,112,596,000</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(34,637,571,028)	(127,118,686,000)
Proceed from sale of fixed asset	1,605,179	-
Intangible assets	(881,362,541)	(1,730,941,000)
<b>Net cash flows used in investing activities</b>	<b>(35,517,328,390)</b>	<b>(128,849,627,000)</b>
<b>Financing Activities</b>		
Lease Liabilities increase/(decrease)	13,338,434	(65,236,000)
Dividend paid to equity holders	(70,000,000,000)	(59,262,616,000)
Proceed from borrowing	-	228,722,337,000
Proceeds from debt security issued	-	113,170,093,000
Net repayment of borrowings	(67,892,324,340)	(96,768,171,000)
Interest payment	(7,051,713,641)	(13,287,516,000)
<b>Net cash flows used in financing activities</b>	<b>(144,930,699,547)</b>	<b>172,508,891,000</b>
Net increase in cash and cash equivalents	(68,639,986,740)	108,771,860,000
Cash and cash equivalents at Beginning	123,821,089,000	15,024,598,000
Effect on exchange rate difference	-	24,631,000
<b>Cash and cash equivalents at End (Note 12)</b>	<b>55,181,102,260</b>	<b>123,821,089,000</b>

Capitalised Interest cost of N9.67 billion has been adjusted from the value of Property, Plant & Equipment purchased during the period.

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

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	YTD 30 SEPT. 2021 =N=	YTD 30 SEPT. 2020 =N=
<b>2. NET REVENUE</b>		
Sale of Cement	186,905,079,625	156,550,012,846
	<b>186,905,079,625</b>	<b>156,550,012,846</b>
<b>3. OTHER INCOME</b>		
Haulage income on goods delivery	-	-
Sundry income	119,221,246	22,979,470
Insurance claim	57,199,731	66,411,206
Gain on disposal of assets	-	-
Realisation account	684,120	138,923
Amortisation of deferred income	-	25,892,784
Profit on disposal of property, plant and equipment	-	-
	<b>177,105,097</b>	<b>115,422,383</b>
<b>4. NET FINANCE COST</b>		
Interest on loans	1,196,655,480	3,113,983,106
Interest Received	(442,496,040)	(233,802,250)
Interest on end of service benefits	-	(6,646,016)
Foreign Exchange Loss	295,000,000	-
	<b>1,049,159,440</b>	<b>2,873,534,840</b>
<b>5. SELLING &amp; DISTRIBUTION COSTS</b>		
Marketing Expenses & Other Overheads	270,628,081	603,110,852
Distribution Costs	2,818,148,269	2,442,662,718
Depreciation	1,664,105,108	1,621,733,365
Salaries, Wages & Benefits	848,963,161	615,436,970
	<b>5,601,844,619</b>	<b>5,282,943,905</b>
<b>6. COMPONENTS OF COST OF SALES &amp; ADMIN. EXPENSES</b>		
<b>6a. Cost of Sales</b>		
Materials and consumables	31,055,272,223	27,143,506,023
Energy cost	41,365,085,899	34,607,390,002
Staff cost	2,251,646,331	1,982,850,871
Repair and maintenance	5,871,709,529	3,902,657,474
Depreciation	9,651,411,775	9,565,312,351
Operate, maintain and technical fees	8,938,680,472	8,486,227,427
Other production expenses	520,802,103	602,024,314
	<b>99,654,608,332</b>	<b>86,289,968,462</b>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the Nine Months Ended

	YTD 30 Sept. 2021	YTD 30 Sept. 2020
<b>6b. Administrative Expenses</b>	<b>=N=</b>	<b>=N=</b>
Depreciation (Admin.)	436,712,943	342,958,478
Staff cost	1,762,030,092	935,279,433
Board of directors expenses	139,117,000	129,372,922
Repair and maintenance	225,144,482	152,873,466
Bank charges	379,273,899	222,741,459
Security expenses	512,779,818	393,592,014
Public relations and donation	784,448,951	675,063,127
Audit and professional fees	252,516,102	154,945,661
Other admin expenses	1,641,613,132	1,007,654,675
	<b>6,133,636,419</b>	<b>4,014,481,235</b>
<b>7a. RIGHTS OF USE ASSET</b>	<b>30 Sept. 2021</b>	<b>31 Dec. 2020</b>
Building leases	70,490,101	76,503,000
Additions	88,843,831	50,178,000
Depreciation of ROU	(65,069,541)	(56,191,000)
<b>Balance at end of period</b>	<b>94,264,391</b>	<b>70,490,000</b>
<b>7b. Leases Liabilities</b>	<b>30 Sept. 2021</b>	<b>31 Dec. 2020</b>
Opening balance	37,317,242	48,352,000
Additions	13,338,192	50,445,000
Interest expense	-	3,756,000
Payments	-	(65,236,000)
	<b>50,655,434</b>	<b>37,317,000</b>
<b>8. INVENTORIES</b>	<b>30 Sept. 2021</b>	<b>31 Dec. 2020</b>
Fuel	5,849,143,063	857,514,000
Engineering Spares	14,305,886,734	12,664,806,000
Packing materials	1,298,270,306	189,509,000
Raw materials	6,850,992,023	9,921,259,000
Goods in transit	4,252,578,639	5,527,658,000
Work in progress	2,829,653,244	1,658,779,000
Finished goods	585,817,109	685,673,000
	<b>35,972,341,118</b>	<b>31,505,198,000</b>

There is no amount of write-down of inventories recognised as an expense during the period.

None of the inventories of the Company were pledged as security for loans as at the reporting date.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

	30-Sep-21 =N=	31-Dec-20 =N=
<b>9. TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	169,414,326	470,568,000
Advance to Suppliers	3,294,941,989	6,676,340,000
Prepayments	2,179,371,019	747,469,000
Advance to staff	80,656,644	97,522,000
Other receivables	33,061,265,869	75,316,087,000
	<b>38,785,649,847</b>	<b>83,307,986,000</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The Company strictly deals on cash and carry basis with the exception of three corporate clients in the construction industry whom have a corporate guaranteed bond in place with a spelt out pre-agreed credit terms. Trade Receivables are not interest bearing.

The average credit period of the company's sales is 30 days. The Company has financial risk management policies in place to ensure that all receivables are received within the pre-agreed credit terms.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the Nine Months Ended

### 10. PROPERTY, PLANT & EQUIPMENTS

Cost / Valuation	Land =N=	Building =N=	Plant And Machinery =N=	Furniture & Fittings =N=	Quarry Equipments =N=	Tools, Computers, Laboratory, Office Equipments =N=	Motor Vehicle =N=	Trucks =N=	Capital Work In Progress =N=	Total =N=
Balance as at January 1, 2021	463,861,000	59,290,058,000	355,996,683,000	530,242,000	9,820,977,000	1,250,044,000	1,418,748,000	8,693,067,000	137,054,929,000	574,518,609,000
Addition	84,481,150	344,312,013	2,262,755,634	115,818,425	-	141,938,979	303,818,909	-	41,051,625,185	44,304,750,295
Disposals/Transfer	-	-	-	-	-	-	(18,696,000)	-	-	(18,696,000)
Reclassification	(159,042,388)	(274,089,191)	534,436,089	(248,300)	-	(101,056,210)	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-	-
Changes in Estimates	-	-	-	-	898,139,770	-	-	-	-	898,139,770
<b>Balance at Sept. 30, 2021</b>	<b>389,299,762</b>	<b>59,360,280,822</b>	<b>358,793,874,723</b>	<b>645,812,125</b>	<b>10,719,116,770</b>	<b>1,290,926,769</b>	<b>1,703,870,909</b>	<b>8,693,067,000</b>	<b>178,106,554,185</b>	<b>619,702,803,065</b>
<b>Balance as at January 1, 2020</b>	264,019,000	59,024,054,000	353,667,730,000	443,548,000	4,824,960,000	1,172,769,000	1,212,605,000	8,693,067,000	143,722,000	429,446,474,000
Addition	199,842,000	169,654,000	2,956,867,000	88,693,000	48,810,000	89,623,000	206,143,000	-	144,359,207,000	148,118,839,000
Transfers	-	96,350,000	(627,914,000)	(1,999,000)	-	(12,348,000)	-	-	(7,448,000,000)	(7,993,911,000)
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Changes in Estimates	-	-	-	-	4,947,207,000	-	-	-	-	4,947,207,000
Impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2020</b>	<b>463,861,000</b>	<b>59,290,058,000</b>	<b>355,996,683,000</b>	<b>530,242,000</b>	<b>9,820,977,000</b>	<b>1,250,044,000</b>	<b>1,418,748,000</b>	<b>8,693,067,000</b>	<b>137,054,929,000</b>	<b>574,518,609,000</b>
<b>ACCUMULATED DEPRECIATION</b>										
<b>Balance as at January 1, 2021</b>	-	4,373,856,000	38,631,595,000	307,685,000	2,224,372,000	611,269,000	816,281,000	4,240,722,000	-	51,205,780,000
Charge for the period	-	868,059,015	8,197,162,079	43,576,772	407,596,367	75,771,371	165,554,443	1,629,949,293	-	11,387,669,340
Disposals	-	-	-	-	-	-	(17,774,941)	-	-	(17,774,941)
Impairments	-	-	-	-	-	-	-	-	-	-
<b>Balance at Sept. 30, 2021</b>	<b>-</b>	<b>5,241,915,015</b>	<b>46,828,757,079</b>	<b>351,261,772</b>	<b>2,631,968,367</b>	<b>687,040,371</b>	<b>964,060,502</b>	<b>5,870,671,293</b>	<b>-</b>	<b>62,575,674,399</b>
<b>Balance as at January 1, 2020</b>	-	3,212,638,000	27,741,645,000	266,095,000	1,563,082,000	534,215,000	655,394,000	2,067,134,000	-	36,040,203,000
Charge for the period	-	1,161,258,000	10,908,638,000	42,319,000	661,612,000	90,710,000	160,887,000	2,173,588,000	-	15,199,012,000
Reclassification	-	-	-	-	-	-	-	-	-	-
Transfers	-	(40,000)	(18,688,000)	(729,000)	(322,000)	(13,656,000)	-	-	-	(33,435,000)
Impairments	-	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2020</b>	<b>-</b>	<b>4,373,856,000</b>	<b>38,631,595,000</b>	<b>307,685,000</b>	<b>2,224,372,000</b>	<b>611,269,000</b>	<b>816,281,000</b>	<b>4,240,722,000</b>	<b>-</b>	<b>51,205,780,000</b>
<b>NET BOOK VALUE</b>										
<b>Balance at Sept. 30, 2021</b>	<b>389,299,762</b>	<b>54,118,365,807</b>	<b>311,965,117,644</b>	<b>294,550,353</b>	<b>8,087,148,403</b>	<b>603,886,398</b>	<b>739,810,407</b>	<b>2,822,395,707</b>	<b>178,106,554,185</b>	<b>557,127,128,666</b>
<b>Balance at December 31, 2020</b>	<b>463,861,000</b>	<b>54,916,202,000</b>	<b>317,365,088,000</b>	<b>222,557,000</b>	<b>7,596,605,000</b>	<b>638,775,000</b>	<b>602,467,000</b>	<b>4,452,345,000</b>	<b>137,054,929,000</b>	<b>523,312,829,000</b>



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

#### 10.1 Revaluation of Property, Plant and Equipment

No recent revaluation has been done by the company. The Directors are of the opinion that the carrying value of property, Plant & machinery approximate its fair value.

Included in Quarry Equipment is cost relating to restoration of quarry site being mined by the Company as at 30 September 2021.

10.2	30-Sep-21 =N=	31-Dec-20 =N=
<b>Depreciation charged during the year are included in:</b>		
Cost of Sales	9,286,851,289	12,616,037,000
Administrative Expenses	2,100,818,051	2,549,540,000
	<b>11,387,669,340</b>	<b>15,165,577,000</b>

11. INTANGIBLE ASSETS	Licenses =N=	Exploration Asset =N=	Software =N=	Total Cost =N=
<b>Balance at 1 January 2021</b>	<b>3,025,000</b>	<b>4,775,603,000</b>	<b>83,737,000</b>	<b>4,862,365,000</b>
Addition	-	879,885,088	1,477,453	881,362,541
Disposals/ Transfers	-	-	-	-
<b>Balance at 30 Sept. 2021</b>	<b>3,025,000</b>	<b>5,655,488,088</b>	<b>85,214,453</b>	<b>5,743,727,541</b>
<b>Balance at 1 January 2020</b>	<b>3,025,000</b>	<b>3,060,885,000</b>	<b>67,514,000</b>	<b>3,131,424,000</b>
Addition	-	1,714,718,000	16,223,000	1,730,941,000
Reclassification	-	-	-	-
Write offs	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>3,025,000</b>	<b>4,775,603,000</b>	<b>83,737,000</b>	<b>4,862,365,000</b>
<b>Amortisation</b>				
<b>Balance at 1 January 2021</b>	<b>3,025,000</b>	<b>565,277,000</b>	<b>9,077,000</b>	<b>577,379,000</b>
Amortisation	-	271,383,569	18,198,336	289,581,905
<b>Balance at 30 Sept. 2021</b>	<b>3,025,000</b>	<b>836,660,569</b>	<b>27,275,336</b>	<b>866,960,905</b>
<b>Balance at 1 January 2020</b>	<b>3,025,000</b>	<b>337,673,000</b>	<b>8,811,000</b>	<b>349,509,000</b>
Amortisation	-	227,604,000	266,000	227,870,000
Reclassification	-	-	-	-
Write Offs	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>3,025,000</b>	<b>565,277,000</b>	<b>9,077,000</b>	<b>577,379,000</b>

#### NET BOOK VALUE

<b>Balance at 30 Sept. 2021</b>	-	<b>4,818,827,519</b>	<b>57,939,117</b>	<b>4,876,766,636</b>
<b>Balance at 31 December 2020</b>	-	<b>4,210,326,000</b>	<b>74,660,000</b>	<b>4,284,986,000</b>

Intangible assets represent cost of quarry deposits, software license.

#### Software License

The software license relates to cost of license on software used by the Company which is for the period of 5 years. Software license is shown at amortised cost. The license have been acquired with the option to renew at the end of the period.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

	30-Sep-21 =N=	31-Dec-20 =N=
<b>12. CASH AND SHORT TERM DEPOSITS</b>		
Cash in hand	28,812,127	10,573,000
Cash in Bank	50,386,057,077	123,047,290,000
Bua Cement DSRA Account	4,312,500,000	-
Fixed deposit	-	308,186,000
Unclaimed dividend	453,733,056	455,040,000
	<b>55,181,102,260</b>	<b>123,821,089,000</b>

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has not pledged part of its short-term deposits in order to fulfil collateral requirements with any Banks. Cash and Bank equivalent is exclusive of overdraft balance.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at:

	30-Sep-21 =N=	31-Dec-20 =N=
Cash in Hand	28,812,127	10,573,000
Cash in bank	55,152,290,133	123,502,330,000
Fixed deposit	-	308,186,000
	55,181,102,260	123,821,089,000
	<b>55,181,102,260</b>	<b>123,821,089,000</b>

<b>13. SHARE CAPITAL</b>	30-Sep-21 =N=	31-Dec-20 =N=
<b>13.1a Authorised</b>		
40,000,000,000 Ordinary shares of 50k each	20,000,000,000	20,000,000,000
<b>13.1b Issued and fully paid</b>		
33,864,354,864 Ordinary shares of 50k each	16,932,177,432	16,932,177,432

#### 13.1c Share Capital

In accounting for the merger between Bua Cement PLC and Cement Company of Northern Nigeria (CCNN) PLC in the year 2019, the balances in these financial statement including share capital were presented as though the merger took effect from when both entities came under common control. As a result, the changes in share capital of BUA Cement with respect to the business combination were applied retrospectively in 2018 & 2019 financial statements.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

	30-Sep-21 =N=	31-Dec-20 =N=
<b>13.2. Reorganization Reserve</b>		
At the beginning and at the end of the period	200,004,179,000	200,004,179,000

Reorganisation reserve consists of the Company's merger transactions with entities under common control.

### 13.3. Other Reserves

Reserve on Actuarial Valuation of Defined Benefit Plan

Balance at the beginning of the year	(897,136,000)	(72,902,000)
Actuarial gain/(loss) on defined benefit plan	-	-
Actuarial gain/(loss) on planned assets during the year	-	(824,234,000)
Balance at the end of the year	(897,136,000)	(897,136,000)

## 14. BORROWINGS

### 14a. Long Term

Bank loans	47,884,200,383	50,449,387,000
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### 14b - Short term facilities

Short term Loan	40,378,566,944	105,648,512,000
<b>Total Borrowings</b>	<b>88,262,767,327</b>	<b>156,097,899,000</b>

### 14c. Debt Security Issued

BUA Cement Series 1 Bond	115,487,756,955	113,195,044,000
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The above borrowings are further classified based on average interest rate, maturity and provider of funds:

	Average Interest Rate	Maturity	=N=	=N=
Coronation Merchant Bank Facility	12%		117,588,584	140,622,000
Union Bank Trade Line Facility	13.5%		16,280,791,916	2,243,406,000
First Bank - Import Finance facility	13.5%	30 September 2021	16,619,425,234	20,033,770,000
First Bank - Term loan	13.5%	30 June 2024	19,248,858,452	26,547,858,000
Fidelity Bank RSSF	5%/9%	30 September 2030	17,459,295,179	17,541,749,000
Union Bank RSSF	5%/9%	11 June 2030	17,676,046,752	17,603,196,000
Shareholders Loan	12.4%		-	71,029,162,000
FCMB Import Finance Facility	7.5%		860,761,210	958,136,000
			<b>88,262,767,327</b>	<b>156,097,899,000</b>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

31-Dec-20  
=N=

**Movement in borrowings are analysed as follows:**

#### Period Ended September 30, 2021

Opening amount as at January 1, 2021	156,097,899,000
Net additional borrowings	14,037,386,186
Repayments of borrowings	(81,661,478,189)
Interest Capitalised	3,090,174,626
Interest Paid	(1,897,226,263)
Movement to Government Grant due to review of rates	(1,403,988,033)
<b>Closing amount as at Sept 30, 2021</b>	<b>88,262,767,327</b>

#### Year Ended December 31, 2020

Opening amount as at January 1, 2020	21,423,504,000
Additional drawdowns in the year	228,722,337,000
Principal repayments	(96,768,171,000)
Interest expenses	2,968,068,000
Interest Capitalised	13,039,677,000
Interest repayments	(13,287,516,000)
<b>Closing amount as at December 31, 2020</b>	<b>156,097,899,000</b>

14d	Capitalised Interest adjusted from value of Property, Plant and Equipment	30-Sep-21 =N=	31-Dec-20 =N=
	Additions in the year	44,304,750,295	148,118,838,000
	Transfers	-	(7,960,475,000)
	Capitalised interest cost	(9,667,179,267)	(13,039,677,000)
		<b>34,637,571,028</b>	<b>127,118,686,000</b>

#### First Bank of Nigeria - Term Loans and overdraft

The facilities were for part finance of construction of cement plant, importation of spare parts and raw materials. All the facilities were secured with a debenture on fixed and floating assets of BUA Cement Plc, Corporate guarantee of BUA International Ltd and personal guarantee of Alhaji Abdulsamad Rabiu.

#### Union Bank - Trade Line

The facility was obtained as a trade line facility for importation of spares and other material such as coal. It is a USD 10 million facility covered by an All Asset Debenture of the Company and personal guarantee of Alhaji Abdulsamad Rabiu.

#### Coronation Merchant Bank & First City Monument Bank - IFF- Forex

This is a clean line facility for offshore payment of letters of credit for future settlement.

#### Fidelity Bank - Real Sector Support Fund - Term Loans

This facility is a N20 billion loan for financing of capacity expansion. The loan is for 10 years inclusive of moratorium of 2 years on principal. It is covered by an All Asset Debenture on the assets of BUA Cement PLC. This is a CBN intervention facility through commercial banks.

#### Union Bank - Real Sector Support Fund - Term Loans

This facility is a N20 billion loan for financing of capacity expansion. The loan is for 10 years inclusive of moratorium of 2 years on

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

principal. It is covered by an All Asset Debenture on the assets of BUA Cement PLC. This is a CBN intervention facility through commercial banks.

#### Shareholders loan - Term Loans

The sum of N90 billion was obtained from the Bua International Limited effective January 1, 2020 to finance the construction of a new line at Sokoto State. The loan tenor is 7 years and interest is at 12.4% the first year and 15.9% for subsequent years. The loan was fully reimbursed in January 2021.

#### BUA Cement Series 1 Bond

The Company issued a N115 billion semi-annual coupon bond at the rate of 7.5% per annum. The effective date of the bond is December 30, 2020. The Bond proceeds will be used to reimburse the shareholder loan and working capital finance.

### 15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares outstanding at the end of reporting period.

	30 Sept 2021 =N=	30 Sept 2020 =N=
Net profit attributable to ordinary equity holders	65,906,211,270	53,487,249,238
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares	33,864,354,864	33,864,354,864
<b>Basic Earning Per Ordinary Shares (kobo)</b>	<b>195</b>	<b>158</b>
	3 months ended 30 Sept 2021 =N=	3 months ended 30 Sept 2020 =N=
Net profit attributable to ordinary equity holders	22,366,617,971	18,747,975,765
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares	33,864,354,864	33,864,354,864
<b>Basic Earning Per Ordinary Shares (kobo)</b>	<b>66</b>	<b>55</b>

#### Diluted earnings per ordinary shares

The Company has no dilutive instruments.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

#### 16a. EMPLOYEE BENEFITS OBLIGATION

	30-Sep-21 =N=	31-Dec-20 =N=
Present value of defined benefit plan	3,870,559,857	3,645,893,000

#### Reconciliation of change in defined benefit Obligation

<b>Defined Benefit Obligation opening</b>	3,645,893,000	2,908,526,000
Current service cost	323,743,512	688,606,000
Interest cost	-	433,600,000
Plan amendment	-	(1,186,842,000)
Plan participant contribution	-	-
Actuarial (gains)/losses- Change in assumption	-	311,931,000
Actuarial (gains)/losses- Experience adjustment	-	590,847,000
Benefit Payment	(99,077,015)	(100,775,000)
<b>As at Ending</b>	<b>3,870,559,497</b>	<b>3,645,893,000</b>

Included in bank balance is N1,659,581,457 set aside in an End of Service Benefit account with Zenith Bank to meet retirement commitment of the Company. The funded status of the Defined Benefit for the period in view is:

Defined benefit liability	3,870,559,857	3,645,893,000
Plan asset with Banks	(1,840,107,231)	(1,659,581,457)
	<b>2,030,452,626</b>	<b>1,986,311,543</b>

#### 16b Amounts Recognised in OCI

Actuarial loss/(gain) on defined benefit plan:

- Change in assumption	-	311,931,000
- Change in experience adjustment	-	590,847,000
	-	902,778,000
Deferred tax credit	-	(78,544,000)
Amount recognised in OCI (net of tax)	-	824,234,000

The Company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2004, with contributions based on the sum of employees' basic salary, housing and transport allowance in the ratio of 8% by the employee and 10% by the employer.

The Company's contributions to this scheme is charged to the profit and loss account in the period to which they relate. Contributions to the scheme are managed by IBTC pension manager, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the Company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

The Company also has a retirement benefits policy (unfunded) for all its full-time employees who have served the Company for a minimum of 5 years and above. The Company has a post-retirement programme for any employee who has attained the terminal age limit of 60 years.

The above tables summarise the movement in the retirement benefit as recognised in the income statement and the funded status and amounts recognised in the statement of financial position.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

#### 17a. TRADE AND OTHER PAYABLES

	30-Sep-21 =N=	31-Dec-20 =N=
Trade payables	4,775,025,322	3,853,292,000
Other payables and accrued expenses	2,935,250,270	3,330,334,000
Unclaimed dividend	453,733,056	455,040,000
Statutory obligations and other accruals	15,242,299,977	16,230,102,000
	<u>23,406,308,625</u>	<u>23,868,768,000</u>

#### 17b. Contract Liabilities

The Company has recognised the following liabilities relating to contracts with customers:

Customers deposits	<u>52,356,295,217</u>	<u>42,138,330,000</u>
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#### 18. DECOMMISSIONING LIABILITY

(Recultivation)

Opening balance as at January 1,	9,291,470,000	4,047,713,000
Additional provision made	1,231,799,561	9,600,000
Increase/(Decrease) as a result of change in estimate	-	4,947,208,000
Unwinding of interest	-	286,949,000
Closing Balance	<u>10,523,269,561</u>	<u>9,291,470,000</u>

#### Provision for decommissioning liabilities

Quarry decommissioning provisions relates to expected cost of reclaiming excavated quarry sites into a habitable settlement for farming, local villagers settlement and other uses. It also include provision for other environmental issues.

#### 19. RELATED PARTIES

Names of related companies	Relationship
BUA International Ltd	Sister company

Outstanding Balances	30 Sept 2021 =N=	31 Dec 2020 =N=
<b>Due to Related Entities</b>		
BUA International Ltd	9,339,173,356	34,497,761,000
	<u>9,339,173,356</u>	<u>34,497,761,000</u>

Receivables from related parties represents advance payments/fund transfers to related parties from the Company's account.

Conversely, due to related parties represents the amount of money owed to related parties for services rendered to the Company.



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

#### 20a. INCOME TAX CHARGE

The major components of income tax expense for the year ended 30th September, 2021 and 31 December 2020 are:

	30-Sep-21 =N=	31-Dec-20 =N=
<b>As Per Income Statement:</b>		
<b>Current Income Tax Charge:</b>		
Minimum Tax	310,214,771	171,265,000
Education Tax	766,976,025	681,809,000
Police Trust Fund	1,697,936	-
	768,673,961	681,809,000
Deferred Tax charge/(Credit)	7,657,835,910	5,847,353,000
<b>Income Tax Expense Reported in the Income Statement</b>	<b>8,426,509,871</b>	<b>6,529,162,000</b>

#### As Per Statement of Financial Position:

#### 20b. Current Income Tax Liabilities

<b>As at Beginning,</b>	922,428,000	813,723,000
Provision for the period	1,077,190,796	853,074,000
Police Trust Fund	1,697,936	-
	2,001,316,732	1,666,797,000
<b>Less: Payment during the year</b>	<b>(863,319,999)</b>	<b>(744,369,000)</b>
<b>As at End,</b>	<b>1,137,996,733</b>	<b>922,428,000</b>

#### 20c. Deferred Tax Assets

As at Beginning	-	12,140,877,000
Deferred tax charge/(credit) for the period - profit or loss		
Deferred Tax Reclassification		(12,140,877,000)
Deferred tax credit for the year - Other Comprehensive Income	-	-
<b>As at End</b>	<b>-</b>	<b>-</b>

#### 20d. Deferred Tax Liabilities

As at Beginning	1,120,221,828	7,492,289,000
Deferred tax charge/(credit) for the period - profit or loss	7,657,835,910	5,847,353,000
Reclassification from Deferred Tax Asset	-	(12,140,877,000)
Deferred Tax credit for the year-OCI	-	(78,544,000)
<b>As at End</b>	<b>8,778,057,738</b>	<b>1,120,221,000</b>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### For the Nine Months Ended

#### 21. GOVERNMENT GRANT

Government grant is treated as a line item in the statement of financial position.

	30-Sep-21 =N=	31-Dec-20 =N=
<b>(a) Current</b>		
Union Bank (RSSF Loan)	449,718,000	449,718,000
Fidelity Bank (RSSF Loan)	450,977,000	450,977,000
	<u>900,695,000</u>	<u>900,695,000</u>
<b>(b) Non-current</b>		
Union Bank (RSSF Loan)	3,024,266,837	2,312,479,000
Fidelity Bank (RSSF Loan)	3,038,511,368	2,322,767,000
	<u>6,062,778,205</u>	<u>4,635,246,000</u>

Government grants have been estimated from N40 billion Real Sector Support Fund provided by the Central Bank of Nigeria through the listed commercial banks at rate between 5% to 9%.



# BUA CEMENT

## KING OF STRENGTH



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