Lafarge Africa Plc

Annual Report

31 December 2022

Lafarge Africa Plc

Contents

Corporate Information

Company registration number
RC 1858
TIN- 01057508-0001

Directors

Mr. Adebode Adefioye	Chairman
Mr. Khaled Abdel Aziz El Dokani (Egyptian)	Group Managing Director/CEO
Mr. Lolu Alade-Akinyemi	Executive Director/CFO
Mrs. Elenda Giwa-Amu	Non-Executive Director
Mrs. Adenike Ogunlesi	Independent Non-Executive Director
Mr. Grant Earnshaw (British)	Non-Executive Director
Mrs. Karine Uzan Mercie (French)	Non-Executive Director
Mr. Marco Licata (Italian) (resigned w.e.f April 5, 2022)	Non-Executive Director
Mr. Gbenga Oyebode, MFR	Independent Non-Executive Director
Mrs. Oyinkan Adewale (FCA)	Independent Non-Executive Director
Mrs. Virginie Darbo (French) (resigned w.e.f February 24, 2023)	Non-Executive Director
Mr. Kaspar Theiler (Swiss) (appointed w.e.f April 20, 2022)	Non-Executive Director

Company Secretary
Mrs. Adewunmi Alode

Company Registered Office
Lafarge Africa Plc
27B, Gerrard Road,
Ikoyi,
Lagos

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

Independent Auditor
KPMG Professional Services
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island,
Lagos

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

The Directors are pleased to present the Annual Report of Lafarge Africa Plc ("the Company") and its subsidiaries (together, "the Group") along with the audited Consolidated and Separate Financial Statements of the Group for the year ended 31 December 2022.

Legal form

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

Subsidiaries

The Company has full ownership of AshakaCem Limited and Wapsila Nigeria Limited. The principal activities of AshakaCem Limited is the manufacturing and marketing of cement. The principal activities of Wapsila Limited is the generation and sale of power. Wapsila Limited is yet to commence operations as at 31 December 2022.

Principal activities

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

Results and dividends

The results of the Group and Company for the year ended 31 December 2022 are set out on page 16. The summarised results are presented below.

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Revenue	373,244,938	293,086,183	340,633,999	262,299,071
Profit before minimum tax	69,744,701	62,254,478	71,537,203	63,649,528
Minimum tax	(1,433,556)	(466,769)	(1,263,252)	(466,769)
Income tax expense	(14,663,689)	(10,784,160)	(15,241,491)	(9,726,847)
Profit after tax	53,647,456	51,003,549	55,032,460	53,455,912
Other comprehensive income for the year	1,669	134,216	1,669	134,216
Total comprehensive income for the year	53,649,125	51,137,765	55,034,129	53,590,128

The Board of Directors is proposing gross dividend of 200k (2021: 200K) on every ordinary share in issue amounting to ₦32,215,591,442.00 (2021: ₦32,215,591,442.00). The proposed dividend, if approved by shareholders, is payable from the pioneer profits and is not subject to deduction of withholding tax. The proposed dividend is subject to approval by the shareholders at the Annual General meeting.

Shareholding and substantial shareholders

The issued and fully paid-up Share Capital of the Company as at 31 December 2022 was 16,107,795,721 ordinary shares of 50kobo each (31 December 2021: 16,107,795,721 ordinary shares of 50 kobo each). The Register of Members shows that two companies: Associated International Cement Limited (AIC UK) and CariCement BV, held more than 5% of the Company's Issued share capital.

Holcim Limited is an international investor holding its shares in the names of its subsidiaries: AIC UK (27.77%) and CariCement BV (56.04%). Total shareholding of Holcim Limited (formerly LafargeHolcim Limited) in the Company was 83.81% as at 31 December 2022.
The remaining 16.19% of the issued shares were held by other individuals and institutions.

Aside the aforementioned two companies, no other shareholder held more than 5% of the issued share capital of the Company as at 31 December 2022.

At the Company’s 63rd Annual General Meeting held on 21st April 2022, the shareholders of the Company passed a special resolution for the cancellation of the 3,892,204,279 unissued shares of the Company, in accordance with the requirements of the Companies and Allied Matters Act 2020. Pursuant to this, the Company’s authorised, issued and fully paid share capital is N8,053,897,860.50 divided into 16,107,795,721 ordinary shares of 50 kobo each.

Shareholding analysis

The Registrars have advised that the range of shareholding as at 31st December 2022 was as follows:

Range	No of Holders	Percent	Unit	Percent
1 - 500	48,147	39.11	11,963,822	0.07
501 - 5,000	59,350	48.21	95,131,334	0.59
5,001 - 50,000	12,915	10.49	185,212,203	1.15
50,001 - 500,000	2,283	1.85	331,646,278	2.06
500,001 - 5,000,000	362	0.29	515,329,207	3.20
5,000,001 - 50,000,000	49	0.04	618,756,974	3.84
50,000,001 - 7,434,367,256	7	0.01	5,322,390,029	33.04
7,434,367,257 - 16,107,795,721	1	0.00	9,027,365,874	56.04
Grand Total	**123,114**	**100**	**16,107,795,721**	**100**

Unclaimed dividend and share certificates

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

The Company's Registrars have advised that the total amount outstanding as at 31 December 2022 is the sum of ₦1,636,941,990.

Directors' responsibilities in relation to the financial statements

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 16 to 99 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act 2011.

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

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern for at least twelve months from the date of this statement.

Directors

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

Mr. Adebode Adefioye	Chairman
Mr. Khaled Abdel Aziz El Dokani (Egyptian)	Group Managing Director/CEO
Mr. Lolu Alade-Akinyemi	Executive Director/CFO
Mrs. Elenda Giwa-Amu	Non-Executive Director
Mrs. Adenike Ogunlesi	Independent Non-Executive Director
Mr. Grant Earnshaw (British)	Non-Executive Director
Mrs. Karine Uzan Mercie (French)	Non-Executive Director
Mr. Marco Licata (Italian) (resigned w.e.f April 5, 2022)	Non-Executive Director
Mr. Gbenga Oyebode, MFR	Independent Non-Executive Director
Mrs. Oyinkan Adewale (FCA)	Independent Non-Executive Director
Mrs. Virginie Darbo (French) (resigned w.e.f February 24,2022)	Non-Executive Director
Mr. Kaspar Theiler (Swiss) (appointed w.e.f April 20, 2022)	Non-Executive Director

Directors' interests in shares

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

Directors	**No of shares 31.12.2022**	**No of shares 31.12.2021**
Mr. Adebode Adefioye	-	-
Mr. Khaled El Dokani (Egyptian)	-	-
Mr. Lolu Alade-Akinyemi	-	-
Mrs. Elenda Giwa-Amu	203,550	203,550
Mrs. Adenike Ogunlesi	-	-
Mr. Grant Earnshaw (British)	-	-
Mrs. Karine Uzan Mercie (French)	-	-
Mr. Marco Licata (Italian) (resigned w.e.f April 5, 2022)	-	-
Mr. Gbenga Oyebode, MFR	-	-
Mrs. Oyinkan Adewale (FCA)	-	-
Mrs. Virginie Darbo (French) (resigned w.e.f February 24th 2023)	-	-
Mr. Kaspar Theiler (Swiss) (appointed w.e.f April 20, 2022)	-	-
Total	**203,550**	**203,550**

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

Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 to the effect that they were members or held shareholding of some specified companies, which could be regarded as interested in any contracts with which the Company was involved as at 31st December, 2022.

Donations and charitable gifts

In 2022, the Group and Company expended ₦761million (2021: ₦604 million) on diverse social investment programs and initiatives in our communities in Nigeria. The breakdown of the contributions is as follows:

	31 Dec 2022	31 Dec 2021
Corporate Social Responsibility interventions	₦751,241,016	₦595,931,780
Donations & Sponsorships	₦9,750,000	₦8,185,000
Total	**₦760,991,016**	**₦604,116,780**

Donations and charitable gifts by communities	**31 Dec 2022**	**31 Dec 2021**
Mfamosing, Crossriver state	₦247,246,756	₦117,588,740
Ewekoro, Ogun state	₦216,900,000	₦192,900,000
Sagamu, Ogun state	₦130,000,000	₦125,000,000
Ashaka, Gombe state	₦108,147,260	₦146,776,305
Elsewhere in Nigeria	₦58,697,000	₦21,851,735
	₦760,991,016	**604,116,780**

In accordance with the provisions of Section 43 (2) Companies and Allied Matters Act 2020 and the Holcim Group Donations Policy, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year in review (2021: nil).

Property, plant and equipment

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

Whistle blowing

The Company is committed to conducting its affairs ethically and responsibly. Unethical behaviour costs the Company money, time, human resources and can negatively affect the Company's reputation before its stakeholders.
All ethical abuses and fraud are reported through the Company's internal and external whistle blowing processes.

Health and Safety

In Lafarge Africa Plc, Health and Safety is our core value. In 2022, significant progress was made with the initiative, which started in 2016, to imbibe health and safety as a core value for every employee, contractor and stakeholders we interact with as a business.

Employment of physically challenged persons

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

Employees’ involvement and training

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

Sustainability

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

Learning and development

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

Statutory Audit Committee

In accordance with Section 404 (3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee of the Company was constituted at the 63rd Annual General Meeting held in Lagos, Nigeria on the 21st April 2022, comprising of three (3) shareholders and two (2) Non-Executive Directors namely: i) Mr. Adebayo Adeleke; Mr. David Adekanmbi; and Mr. Timothy Adejuwon, (Shareholders’ Representatives) and iv) Mrs. Oyinkan Adewale; and v) Mrs. Karine Uzan Mercie (Directors).

Independent Auditor

Messrs. KPMG Professional Services (KPMG) acted as the Company’s Independent Auditor during the year under review.

BY ORDER OF THE BOARD

Adewunmi Alode (Mrs.)
Company Secretary
FRC/2018/ICSAN/00000017796

Dated 24th February 2023

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

i. The scope and planning of the internal audits for the year ended 31 December 2022 are satisfactory. The internal audit programs reinforce the Company's internal control system;

ii. The scope and planning of statutory audit for the year ended 31 December 2022 are satisfactory;

iii. Having reviewed the Independent Auditors' management letter on accounting procedures and internal controls, we are satisfied with management's responses thereto;

iv. The accounting and reporting policies for the year ended 31 December 2022 are in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In our opinion, the scope and planning of the audit for the year ended 31st December 2022 were adequate and Management's responses to the Auditors' findings were satisfactory.

Mr. Adebayo Adeleke
FRC/2013/NIM/00000002317
Chairman, Audit Committee
Dated 23rd February 2023

Audit committee members

Mr. Adebayo Adeleke	Shareholder Representative
Mr. David Adekanmbi	Shareholder Representative
Mr. Timothy Adejuwon	Shareholder Representative
Mrs. Oyinkan Adewale	Independent Non-Executive Director
Mrs. Karine Uzan Mercie	Non-Executive Director

Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements for the year ended 31 December 2022

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Adebode Adefioye
FRC/2017/IODN/00000016512
Date: 24th February 2023

Khaled Abdel Aziz El Dokani
FRC/2020/003/00000020762
Date: 24th February 2023

Lafarge Africa Plc

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements for the year ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Lafarge Africa Plc for the year ended 31 December 2022 as follows:

(a) That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022.

(b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

(c) That the audited consolidated and separate financial statements and all other financial information included in the financial statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2022.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the principal officer by other officers of the companies, during the year ended 31 December 2022.

(e) That we have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Group's internal controls are effective as of that date.

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Group's Independent Auditors and Audit Committee:
(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and
(ii) there is no fraud that involves management or other employees who have a significant role in the Group's internal control.

Khaled Abdel Aziz El Dokani
Group Managing Director
FRC/2020/003/00000020762
Date: 24th February 2023

Alade-Akinyemi Lolu
Chief Financial Officer
FRC/2020/001/00000020157
Date: 24th February 2023

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Lafarge Africa Plc**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Lafarge Africa Plc ("the Company") and its subsidiary (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory Obsolescence Allowance ("Off-Spec" Clinker)

Refer to significant accounting policies (Note 2.3.10 and 3.1) and Inventories note (Note 20) in the consolidated and separate financial statements.

The key audit matter	How the matter was addressed in our audit
The Group and Company have significant volume of 'off-spec' clinker arising from power fluctuations and other factors in the production process. The off-spec clinker has accumulated across all plants and continue to suffer deterioration due to weather impact and low consumption. Consequently, management has performed an obsolescence assessment of the off-spec clinker across all plants and made an allowance of ₦ 5.6 billion and ₦1.3 billion for Group and Company respectively in the consolidated and separate financial statements. This is considered a key audit matter due to the significance of the amount and the judgement exercised by management in the determination of the allowance.	Our audit procedures included the following: • We made inquiries of management and evaluated management's processes and procedures for the identification of off-spec clinker within its production process. • We obtained management's assessment of obsolescence allowance and checked the basis of the amount recognized as obsolescence allowance of off-spec' clinker including the mathematical accuracy. • We challenged management's judgment applied in determining the amount of obsolescence allowance by checking the reasonableness of the pattern of production and consumption of off-spec clinker applied by management in its assessment of its obsolescence allowance. • We considered the adequacy of the Group and Company's disclosures in relation to the allowance for obsolescence for inventories in line with the relevant accounting standard.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Audit Committee's Report, Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements and Other National Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. Other information also includes the Notice of Annual General Meeting, Financial Highlights, Chairman's Statement, Corporate Governance Report, Board of Directors' Profile, Leadership Team, Sustainability Report, Corporate Social Responsibility Report, amongst others (together "Outstanding reports"), which are expected to be made available to us after that date.

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

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

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

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

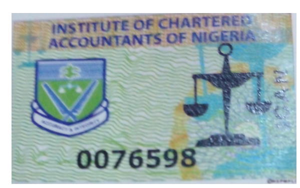
We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Mohammed Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
28 February 2023
Lagos, Nigeria

Lafarge Africa Plc

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

		Group		Company	
	Notes	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Revenue	6	373,244,938	293,086,183	340,633,999	262,299,071
Cost of sales	7	(177,023,232)	(150,505,605)	(151,382,023)	(125,134,689)
Gross profit		**196,221,706**	**142,580,578**	**189,251,976**	**137,164,382**
Selling and distribution costs	8	(89,576,446)	(56,976,373)	(83,521,144)	(51,681,590)
Administrative expenses	9	(22,577,685)	(21,158,470)	(21,608,227)	(20,057,257)
Other income	10	557,487	687,092	356,754	414,912
Impairment loss on trade receivables	11	(431,169)	(25,603)	(407,136)	(24,461)
Operating profit		**84,193,893**	**65,107,224**	**84,072,223**	**65,815,986**
Finance income	12.1	1,533,892	1,740,253	1,433,993	1,900,445
Finance costs	12.2	(15,983,084)	(5,276,309)	(13,969,013)	(4,750,213)
Net finance costs	12.2	**(14,449,192)**	**(3,536,056)**	**(12,535,020)**	**(2,849,768)**
Share of profit from joint venture accounted for using the equity method	17.2	-	683,310	-	683,310
Profit before minimum tax	14	**69,744,701**	**62,254,478**	**71,537,203**	**63,649,528**
Minimum tax expense	13.1	(1,433,556)	(466,769)	(1,263,252)	(466,769)
Profit before tax		**68,311,145**	**61,787,709**	**70,273,951**	**63,182,759**
Income tax expense	13.2	(14,663,689)	(10,784,160)	(15,241,491)	(9,726,847)
Profit for the year		**53,647,456**	**51,003,549**	**55,032,460**	**53,455,912**
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss:					
Share of OCI from joint venture accounted for using the equity method	17.2	-	(292,558)	-	(292,558)
Reclassification of share of OCI from joint venture accounted for using the equity method		-	307,169	-	307,169
		-	**14,611**	**-**	**14,611**
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	31.3	2,385	170,864	2,385	170,864
Related tax	13.3	(716)	(51,259)	(716)	(51,259)
		1,669	**119,605**	**1,669**	**119,605**
Other comprehensive Income, net of tax		**1,669**	**134,216**	**1,669**	**134,216**
Total comprehensive income		**53,649,125**	**51,137,765**	**55,034,129**	**53,590,128**
Profit attributable to :					
- Owners		53,647,456	51,003,549	55,032,460	53,455,912
		53,647,456	**51,003,549**	**55,032,460**	**53,455,912**
Total comprehensive income for the year is attributable to:					
- Owners		53,649,125	51,137,765	55,034,129	53,590,128
		53,649,125	**51,137,765**	**55,034,129**	**53,590,128**
Earnings per share attributable to the ordinary equity holders of the Company:					
Basic earnings per share (Kobo)	25	333	317	342	332
Diluted earnings per share (Kobo)	25	333	317	342	332

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

Lafarge Africa Plc

Consolidated and Separate Statements of Financial Position as at 31 December 2022

		Group		Company	
	Notes	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	341,458,500	338,721,748	276,696,636	273,704,651
Intangible assets	16	91,182	713,746	91,181	578,322
Investments in subsidiaries	17.1	-	-	63,906,867	63,906,867
Other assets	19	60,851,702	35,535,403	57,167,949	32,699,442
Deferred tax assets	13.7	2,031,419	15,292,417	2,031,419	15,292,417
Total non-current assets		**404,432,803**	**390,263,314**	**399,894,052**	**386,181,699**
Current assets					
Inventories	20	53,043,073	45,010,127	41,896,205	36,656,494
Trade and other receivables	21	6,353,825	7,196,754	43,149,848	32,377,152
Other assets	19	18,462,277	15,275,129	17,326,786	14,734,768
Other financial assets	18.1	21,000	19,035,529	14,335	18,975,911
Cash and cash equivalents	22	118,398,495	50,057,345	106,901,117	45,128,099
Total current assets		**196,278,670**	**136,574,884**	**209,288,291**	**147,872,424**
Total assets		**600,711,473**	**526,838,198**	**609,182,343**	**534,054,123**
LIABILITIES					
Non-current liabilities					
Loans and borrowings	28	1,530,387	2,482,049	529,850	709,077
Employee benefit obligations	31.1	2,410,849	2,165,592	2,042,726	1,821,942
Deferred income	30	1,094,611	1,356,534	1,012,843	1,123,575
Provisions	29.1	2,718,463	2,103,557	1,389,034	1,193,962
Deferred tax liabilities	13.7	8,472,328	9,116,700	-	-
Total non-current liabilities		**16,226,638**	**17,224,432**	**4,974,453**	**4,848,556**
Current liabilities					
Loans and borrowings	28	35,062,463	20,805,272	33,255,574	19,846,836
Deferred income	30	261,924	326,474	110,732	110,732
Trade and other payables	32	80,797,500	59,815,744	90,874,972	72,702,195
Contract liabilities	33	46,019,970	43,361,653	40,410,912	36,414,142
Provisions	29.2	2,353,466	2,918,962	2,108,367	2,571,809
Current tax liabilities	13.5	3,887,507	3,824,984	3,171,530	2,210,383
Total current liabilities		**168,382,830**	**131,053,089**	**169,932,087**	**133,856,097**
Total liabilities		**184,609,468**	**148,277,521**	**174,906,540**	**138,704,653**
EQUITY					
Share capital	23	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	24	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings		227,028,432	189,487,103	184,751,152	145,824,819
Other reserves arising on business combination and re-organisations	27	(254,129,057)	(254,129,056)	(193,677,979)	(193,677,979)
Capital and reserves attributable to owners		**416,102,005**	**378,560,677**	**434,275,803**	**395,349,470**
Total equity		**416,102,005**	**378,560,677**	**434,275,803**	**395,349,470**
Total equity and liabilities		**600,711,473**	**526,838,198**	**609,182,343**	**534,054,123**

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

These financial statements were approved and authorised for issue by the board of directors on 24th February 2023 and were signed on its behalf by:

Adebode Adefioye	**Khaled Abdel Aziz El Dokani**	**Lolu Alade-Akinyemi**
Chairman	Group Managing Director	Chief Financial Officer
FRC/2017/IODN/00000016512	FRC/2020/003/00000020762	FRC/2020/001/00000020157

Lafarge Africa Plc

Consolidated Statement of Changes in Equity for the year ended 31 December 2022

Group	Notes	Share capital N'000	Share premium N'000	Retained earnings N'000	Foreign currency translation reserve N'000	Other reserves arising on business combination and re-organisations N'000	Total equity N'000
		Attributable to equity holders of the parent					
Balance at 1 January 2021		**8,053,899**	**435,148,731**	**170,579,540**	**(14,611)**	**(254,129,057)**	**359,638,502**
Profit for the year		-	-	51,003,549	-	-	51,003,549
Other comprehensive income (Net of tax)		-	-	119,605	14,611	-	134,216
Total comprehensive income		**-**	**-**	**51,123,154**	**14,611**	**-**	**51,137,765**
Transactions with owners:							
Dividends declared	32.3	-	-	(32,215,591)	-	-	(32,215,591)
Total transaction with owners		**-**	**-**	**(32,215,591)**	**-**	**-**	**(32,215,591)**
Balance at 31 December 2021		**8,053,899**	**435,148,731**	**189,487,103**	**-**	**(254,129,057)**	**378,560,676**
Balance at 1 January 2022		**8,053,899**	**435,148,731**	**189,487,103**	**-**	**(254,129,057)**	**378,560,676**
Profit for the year		-	-	53,647,456	-	-	53,647,456
Other comprehensive income (Net of tax)		-	-	1,669	-	-	1,669
Total comprehensive income		**-**	**-**	**53,649,125**	**-**	**-**	**53,649,125**
Transaction with owners:							
Dividends declared	32.3	-	-	(16,107,796)	-	-	(16,107,796)
Total transaction with owners		**-**	**-**	**(16,107,796)**	**-**	**-**	**(16,107,796)**
Balance at 31 December 2022		**8,053,899**	**435,148,731**	**227,028,432**	**-**	**(254,129,057)**	**416,102,005**

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

Lafarge Africa Plc

Separate Statement of Changes in Equity for the year ended 31 December 2022

Company

	Notes	Share capital N'000	Share premium N'000	Retained earnings N'000	Foreign currency translation reserve N'000	Other reserves arising on business combination and re-organisations N'000	Total equity N'000
Balance at 1 January 2021		**8,053,899**	**435,148,731**	**124,464,893**	**(14,611)**	**(193,677,979)**	**373,974,933**
Profit for the year		-	-	53,455,912	-	-	53,455,912
Other comprehensive income (Net of tax)		-	-	119,605	14,611	-	134,216
Total comprehensive income		**-**	**-**	**53,575,517**	**14,611**	**-**	**53,590,128**
Transaction with owners:							
Dividends declared	32.3	-	-	(32,215,591)	-	-	(32,215,591)
Total transaction with owners		**-**	**-**	**(32,215,591)**	**-**	**-**	**(32,215,591)**
Balance at 31 December 2021		**8,053,899**	**435,148,731**	**145,824,819**	**-**	**(193,677,979)**	**395,349,470**
Balance at 1 January 2022		8,053,899	435,148,731	145,824,819	-	(193,677,979)	395,349,470
Profit for the year		-	-	55,032,460	-	-	55,032,460
Other comprehensive income (Net of tax)		-	-	1,669	-	-	1,669
Total comprehensive income		**-**	**-**	**55,034,129**	**-**	**-**	**55,034,129**
Transaction with owners:							
Dividends declared	32.3	-	-	(16,107,796)	-	-	(16,107,796)
Total transaction with owners		**-**	**-**	**(16,107,796)**	**-**	**-**	**(16,107,796)**
Balance at 31 December 2022		**8,053,899**	**435,148,731**	**184,751,152**	**-**	**(193,677,979)**	**434,275,803**

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

Lafarge Africa Plc

Consolidated and Separate Statements of Cash Flows for the year ended 31 December 2022

		Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Profit after tax		53,647,456	51,003,549	55,032,460	53,455,912
Adjustments to reconcile Profit for the year to net cash flows:					
Depreciation	15.6	24,784,252	31,431,791	21,924,220	28,738,637
Impairment losses on property, plant and equipment	15	-	4,802,130	-	4,802,130
Amortization of intangible assets	16	622,564	1,225,464	487,141	945,942
Other non-cash items	34.3	520,027	(127,187)	379,564	(8,656)
Net unrealized foreign exchange loss/(gain)		6,333,440	(2,159,652)	5,883,675	(2,205,030)
Finance costs	12.2	2,854,507	5,276,309	2,309,766	4,750,213
Finance income	12.1	(1,533,892)	(1,740,253)	(1,433,993)	(1,900,445)
Share of profit from joint venture		-	(683,310)	-	(683,310)
Income tax expense	13.2	14,663,689	10,784,160	15,241,491	9,726,847
Minimum tax expense	13.1	1,433,556	466,769	1,263,252	466,769
Provisions and net movement on employee benefits	34.1.6	(591,033)	174,103	(473,991)	49,874
Change in net working capital	34.1	1,398,885	(25,108,002)	(7,021,382)	(22,231,195)
Cash flows generated from operations		**104,133,451**	**75,345,871**	**93,592,203**	**75,907,688**
Income taxes paid	13.6	(3,418,812)	(2,728,831)	(2,283,314)	(1,031,973)
Net cash flows generated from operating activities		**100,714,639**	**72,617,040**	**91,308,889**	**74,875,715**
Cash flows from investing activities					
Acquisition of property, plant and equipment	15.1	(23,253,811)	(22,575,810)	(21,070,812)	(17,131,293)
Interest received	12.3	1,486,857	527,487	1,386,958	485,883
Interest income received from related party	17.5	-	985,897	-	985,897
Proceeds from disposal of investment in joint venture (net of earn-out obligation paid)	17.5	-	1,211,419	-	1,211,419
Loan to related party received	17.5	-	1,944,751	-	1,944,751
Proceeds from sale of property, plant and equipment	34.2	68,869	15,647	68,868	15,647
Net cash flows used in investing activities		**(21,698,085)**	**(17,890,609)**	**(19,614,986)**	**(12,487,696)**
Cash flows from financing activities					
Interest paid	12.4	(2,165,640)	(5,223,520)	(1,829,869)	(4,833,576)
Dividend paid to equity holders of the company	32.4	(14,535,057)	(27,310,008)	(14,535,057)	(27,310,008)
Proceeds from loans and borrowings	28.4	27,125,828	15,717,396	25,517,934	15,203,057
Repayment of lease liabilities	28.4	(3,275,995)	(7,208,823)	(3,275,995)	(6,952,724)
Repayment of loans and borrowings	28.4	(18,700,161)	(36,045,934)	(16,669,658)	(35,180,135)
Net cash used in financing activities		**(11,551,025)**	**(60,070,889)**	**(10,792,645)**	**(59,073,386)**
Net increase/(decrease) in cash and cash equivalents		**67,465,529**	**(5,344,458)**	**60,901,258**	**3,314,633**
Cash and cash equivalents at the beginning of the year		48,625,884	52,056,685	43,696,638	38,483,421
Effects of exchange rate changes on cash and cash equivalents held		670,140	1,913,657	666,279	1,898,584
Cash and cash equivalents at the end of the year	22.2	**116,761,553**	**48,625,884**	**105,264,175**	**43,696,638**

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

1 Reporting Entity

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

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

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

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

Wapsila Nigeria Limited was incorporated in Nigeria on 1 December 2014 as a wholly owned subsidiary of Lafarge Africa Plc. Its main business is the generation and sale of power. The Company was yet to commence operations as at 31 December 2022.

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

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

The Group's subsidiaries are as stated below;

31 December 2022	31 December 2021
AshakaCem Limited	AshakaCem Limited
Wapsila Nigeria Limited	Wapsila Nigeria Limited

2.1 (a) Basis of accounting

i) Compliance with IFRS

These consolidated and separate financial statements of Lafarge Africa Plc have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011. The consolidated and separate financial statements were authorised for issue by the Group and Company's board of directors on 24 February 2023. Details of the Group and Company's accounting policies, including changes thereto are included in Note 2.2.2.

ii) Basis of measurement

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

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

2.1 (b) Functional and presentation currency

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

2.2 Use of judgements and accounting estimates

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

Judgements

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is disclosed in Note 3.2.

Measurement of Fair value

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 2.3.11 – Financial Instrument

2.2.1 Going concern

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

2.2.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group and Company has not early adopted the new or amended standards in preparing these consolidated and separate financial statements.

A. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group and Company accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group and Company will recognise a separate deferred tax asset and a deferred tax liability.

B. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

C. Other standards

The following new and amended standards are not expected to have material impact on the Group's consolidated and separate financial statements.

Standard/Interpretation		**Date issued by IASB**	**Effective date Period beginning on or after**	**Summary of the requirements and impact assessment**
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).	Disclosure of Accounting Policies	February 2021	1 January 2023	Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements), continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: • requiring companies to disclose their material accounting policies instead of their significant accounting policies; • clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and • clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The standard is effective for annual periods beginning on or after 1 January 2023.

C. Other standards (Contd.)

Standard/Interpretation		Date issued by IASB	Effective date Period beginning on or after	Summary of the requirements and impact assessment
Definition of Accounting Estimates (Amendments to IAS 8).	Amendments to Accounting Estimates	Feb-21	1 January 2023	The amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The standard is effective for annual periods beginning on or after 1 January 2023.
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	September 2022	1 January 2024	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

C. Other standards (Contd.)

Standard/Interpretation		Date issued by IASB	Effective date Period beginning on or after	Summary of the requirements and impact assessment
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Septemb er 2024	The effective date of this amendment has been deferred indefinitely by the IASB.	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.

2.3 Introduction to summary of significant accounting policies

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

2.3.1 Principles of consolidation and equity accounting

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

i) *Subsidiaries*

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

ii) Business Combination

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

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Common control business combination and re-organization:

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

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

iii) *Non-controlling interests (NCI)*

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

iv) *Loss of control*

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

v) *Interest in equity-accounted investees*

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

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

vi) *Impairment assessment of investments in subsidiary*

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

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

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

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

vii) *Transactions eliminated on consolidation*

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

2.3.2 Revenue recognition

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

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

A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

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

2.3.3 Investment income

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

2.3.4 Finance income and finance costs

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

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

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

2.3.5 Government grants

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

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

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

2.3.6 Income tax

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

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

a) Current tax

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

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

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

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

b) Minimum tax

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

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

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

c) Deferred tax

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

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

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

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

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

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

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

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

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

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

2.3.7 Leases

A) Definition of a lease

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

B) As a lessee

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

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

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

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

• variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable under a residual value guarantee; and

• the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

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

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

Short-term leases and leases of low-value

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

2.3.8 Impairment of non-financial assets

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

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

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGUs.

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

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

2.3.9 Cash and cash equivalents

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

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

2.3.10 Inventories

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

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

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

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

2.3.11 Financial instruments

2.3.11.1 Financial assets

Non-Derivative financial assets:

i. *Recognition and initial measurement*

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

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

ii. Classification and subsequent measurement

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Business Model - Assessment

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

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

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

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

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

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

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

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

Financial assets - Subsequent measurement and gains and losses

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

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

2.3.11.2 Financial liabilities

Non-Derivative financial liabilities:

i) *Classification*

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

a) *Financial liabilities at amortised cost*

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

ii) *Recognition & measurement*

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

Interest rate benchmark reform

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

• the change is necessary as a direct consequence of the reform; and

• the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

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

Derecognition

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

2.3.11.3 Offsetting financial instruments

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

2.3.11.4 Impairment of financial assets
(i) Non-derivative financial assets

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

The ECLs for trade and other receivables are estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group has identified the change in annual gross domestic product (GDP) to be the most relevant factors and accordingly adjusts the historical loss rates if a significant change in GDP is expected within the next 12 months.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

Measurement of ECLs

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

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

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

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

2.3.12 Property, plant and equipment

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

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

Subsequent expenditure
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

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

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

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

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

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

Impairment

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

Disposal

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

2.3.13 Major maintenance and repairs

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

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

2.3.14 Intangible assets

Initial recognition and measurement

In accordance with criteria set in IAS 38, intangible assets are recognised only if:
- they are identifiable,
- they are controlled by the entity because of past events, and
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

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

Subsequent recognition

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

Amortisation methods and periods
The useful lives of intangible assets are assessed as finite.

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

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

Software
Intangible assets primarily include software costs and are amortized using the straight-line method over their estimated useful life of 3years which is based on management estimation. This expense is recorded in administrative expenses based on the function of the underlying assets.
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Mining rights

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

2.3.15 Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those asset, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalization rate is applied.

2.3.16 Provisions, contingent liabilities and contingent assets

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

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.3.16.1 Contingent liabilities

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

2.3.16.2 Site restoration provisions

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

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

2.3.17 Exploration and evaluation assets

(a) Pre-licence costs

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

(b) Exploration and evaluation expenditure

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

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

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

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

2.3.18 Employee benefits

a) Short-term employee benefits

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

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

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

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

c) Post-employment benefit obligations

i) *Defined contribution scheme*

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

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

ii) *Defined benefit plans*

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

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

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

d) Termination benefits

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

2.3.19 Share capital

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

2.3.20 Dividends

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

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

2.3.21 Earnings per share

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

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

2.3.22 Prepayment for gas

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

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

2.3.23 Statement of cash flows

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

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated for the purpose of preparing the statement.
In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts but excluding any form of restricted cash which is not readily available for business operations.

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

2.3.24 Operating profit

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

2.3.25 Foreign currency

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

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

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

• an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see (P)(v)); and

• qualifying cash flow hedges to the extent that the hedges are effective.

2.3.26 Fair value measurement

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

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

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

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

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

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

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

3 Accounting estimates and judgments

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

3.1 Judgements

i) Leases

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

ii) Third party claim and litigation

The Group has applied judgement in determining an outflow of resources regarding third party claim and litigation. A litigation provision is recognized if, and only if:
The Group has a present obligation (legal or constructive) to another party as a result of a past event
It is probable (i.e. likelihood greater than 50%) that an outflow of resources to settle the obligation will be required and a reliable estimate can be made of the amount of the obligation. The likelihood of the third party claim and litigation was based on solicitor's assessment. See further details in Note 36.

iii) Deferred tax assets

The Group also applied jugdement in determining the recognition of deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.
A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The future taxable profit assessment is based on historical trend analysis and financial performance forecast. See further details in Note 13.6

iv) Inventories

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

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

3.2 Assumptions

3.2.1 Site restoration provisions

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

3.2.2 Trade receivables

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

3.2.3 Staff gratuities and Long Service awards

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

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

3.2.4 Impairment of Property, Plant and Equipment

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

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

3.2.5 Exploration and evaluation

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

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

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

3.2.6 Provisions and Contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especi ally relating to key assumptions about the likelihood and magnitude of an outflow of resources.
See note 2.3.16.

3.2.7 Prepayment for Gas

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

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

4 Financial risk management

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

4.1 Financial risk management framework

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

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

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

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

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

(a) Credit risk management

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

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the executive committee periodically.

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Impairment loss on trade receivables arising from contracts with customers	431,169	25,603	407,136	24,461
	431,169	**25,603**	**407,136**	**24,461**

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

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

The Group does not have a single customer with a contribution of more than 5% of the total balance of trade

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Trade receivables - Net (Note 21)	3,259,867	2,512,634	4,114,126	7,152,841
Other receivables (Note 21)	3,093,958	4,684,120	39,035,722	25,224,311
Other financial assets (Note 18)	21,000	19,035,529	14,335	18,975,911
Cash and cash equivalents (Note 22)	118,398,495	50,057,345	106,901,117	45,128,099
	124,773,320	**76,289,628**	**150,065,300**	**96,481,162**

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

Trade receivables:

Trade receivables are further broken down into:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Neither past due nor impaired (Stage 1)				
0 - 30 days	1,759,720	1,228,225	2,882,794	5,934,218
Past due but not impaired (Stage 2)				
The ageing of amounts past due but not impaired is as follows:				
31 - 60 days	960,439	415,314	914,282	413,797
61 - 90 days	145,714	381,162	117,357	372,585
Over 90 days	393,994	487,934	199,693	432,241
	1,500,147	1,284,410	1,231,332	1,218,623
Impaired (Stage 3)				
Credit impaired	711,665	280,495	676,568	269,431
Total amount exposed to credit risk (Gross)	**3,971,532**	**2,793,130**	**4,790,694**	**7,422,272**
Impairment allowance (Note 21.3)	(711,665)	(280,495)	(676,568)	(269,431)
Total amount exposed to credit risk (Net)	**3,259,867**	**2,512,635**	**4,114,126**	**7,152,841**

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

Impairment of trade receivables

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

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

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

Impairment losses are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited to profit or loss.
Reconciliation of changes in the allowance for credit losses impairment account is disclosed in Note 21.3.

Expected credit loss assessment for corporate customers as at 31 December 2022

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

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

Expected Credit Loss Assessment

Group

As at 31 December 2022	Weighted average loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.05%	1,759,724	928	No
31-60	0.09%	960,439	886	No
61-90	3.43%	145,714	4,998	No
Over 90days	63.75%	1,105,655	704,853	Yes
		3,971,532	**711,665**	

As at 31 December 2021	Weighted average loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.05%	1,263,326	598	No
31-60	0.11%	392,685	443	No
61-90	0.19%	376,230	715	No
Over 90days	36.63%	760,889	278,739	Yes
		2,793,130	**280,495**	

Company

As at 31 December 2022	Weighted average loss rate	Gross carrying amount N'000	Loss Allowance N'000	Credit Impaired
0-30	0.03%	2,882,796	928	No
31-60	0.10%	914,282	886	No
61-90	4.26%	117,356	4,998	No
Over 90days	76.43%	876,260	669,756	Yes
		4,790,694	**676,568**	

As at 31 December 2021	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
		N'000	N'000	
0-30	0.04%	1,164,563	417	No
31-60	0.11%	391,167	443	No
61-90	0.19%	367,653	698	No
Over 90days	38.59%	694,133	267,873	Yes
		2,617,516	**269,431**	

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

(c) Credit quality of bank balances

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

Bank ratings are based on Fitch national long term rating (2022). The credit ratings of the banks with the bank balances are shown below.

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Cash at bank	N'000	N'000	N'000	N'000
AAA	29,349,132	-	24,470,002	-
AA+	5,730,692	-	5,578,812	-
AA-	6,671,322	-	6,581,734	-
A+	15,891,758	25,467,239	15,038,783	23,081,662
A	56,191,728	-	52,290,216	-
BBB	1,612,364	-	605,743	-
B	-	19,503,950	-	18,682,878
B-	1,313,130	3,654,695	698,884	1,932,098
	116,760,126	48,625,884	105,264,174	43,696,638
Restricted cash at bank (note 22.1)	1,636,942	1,431,461	1,636,942	1,431,461
Total cash and cash equivalents	**118,397,068**	**50,057,345**	**106,901,116**	**45,128,099**

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

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

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

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

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

'B' ratings indicate that material credit risk is present but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Impairment on cash and cash equivalent has been measured on a 12- month expected loss basis and reflects the short maturities of the exposure.
The Group uses a similiar approach for assessment of ECL for cash and cash equivalent to those used for debt securities.
The impairment loss was immaterial and hence not recognised (2021: nil) at year end.

4.1.2 *Liquidity risk*

(a) Management of liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group maintains the following lines of credit:
- N1.16 trillion overdraft facilities that is unsecured. Interest payable ranges from 13% - 20.5%.
- N211.78 billion revolving credit facilities that is unsecured and can be drawn to meet short-term financing needs. Interest payable ranges from 0.5% - 20.5%.

(b) Maturities of financial liabilities

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Group

31 December 2022	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings	36,592,850	37,094,112	35,225,306	1,460,080	408,726
Trade and other payables**	72,186,550	72,186,550	72,186,550	-	-
	108,779,400	109,280,662	107,411,856	1,460,080	408,726

31 December 2021	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings	23,287,321	24,436,825	21,170,578	2,624,326	641,921
Trade and other payables**	53,594,594	53,594,594	53,594,594	-	-
	76,881,915	78,031,419	74,765,172	2,624,326	641,921

Company

31 December 2022	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings	32,786,221	33,165,929	32,338,149	419,054	408,726
Trade and other payables**	82,821,034	82,821,034	82,821,034	-	-
	115,607,255	115,986,963	115,159,183	419,054	408,726

31 December 2021	Carrying amount N'000	Contractual cash flows N'000	0 - 12 months N'000	1-3 years N'000	Above 3 years N'000
Non derivative financial instruments					
Interest-bearing loans and borrowings	19,661,211	20,526,615	19,124,295	984,959	417,361
Trade and other payables**	66,467,386	66,467,386	66,467,386	-	-
	86,128,597	86,994,001	85,591,681	984,959	417,361

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

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

4.1.3 Market risk

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

(I) Interest rate risk

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

Exposure to interest rate risk

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

Fixed interest rate:
The financial liabilities with fixed interest rates are shown below;

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Naira denominated fixed rates				
Power Fund (7%, 5%)	2,145,449	3,268,947	430,356	903,795
Lease liabilities (7.95% - 17.8%)	1,986,729	3,013,586	1,919,868	2,615,561
Short term bank loans (7% - 12.0% p.a)	32,460,672	17,004,788	30,435,997	16,141,855
	36,592,850	23,287,321	32,786,221	19,661,211
Total	**36,592,850**	**23,287,321**	**32,786,221**	**19,661,211**

(ii) Currency risk

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

Exposure to currency risk

Below are the foreign denominated currencies the Group is exposed to;

	31 Dec 2022		31 Dec 2021	
	Average rates	**Closing rates**	**Average rates**	**Closing rates**
US Dollars	632.45	757.78	512.58	505.00
Euros	666.17	809.08	580.23	571.65
GBP (Great Britain Pounds)	782.06	936.00	690.59	680.38
ZAR	38.80	44.73	32.12	31.65
CHF	662.76	821.00	558.99	550.73

Foreign currency denominated balances

	Group		Company	
	31 Dec 2022	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
	000	**000**	**000**	**000**
US Dollar				
Financial assets				
Cash and cash equivalents	6,505	38,044	6,409	38,044
Financial liabilities				
Borrowings	(30,802)	(24,487)	(28,881)	(24,487)
Trade and other payables	*(10,275)*	(42,708)	(5,813)	(37,865)
Net financial (liabilities)/asset	(34,572)	(29,151)	(28,285)	(24,308)
Euro				
Financial assets				
Cash and cash equivalents	22		22	
Financial liabilities				
Borrowings	(10,255)	(5,734)	(9,864)	(5,734)
Trade and other payables	(13,381)	(17,085)	(12,307)	(16,466)
Net financial (liabilities)/asset	(23,614)	(22,819)	(22,149)	(22,200)
GBP				
Financial assets				
Cash and cash equivalents	2,517		2,517	-
Financial liabilities				
Borrowings	(2,395)	(633)	(2,125)	(633)
Trade and other payables	(263)	(472)	(150)	(440)
Net financial (liabilities)/asset	(141)	(1,105)	242	(1,073)

CHF				
Financial assets				
Trade and other receivables	577	-	609	-
	577	-	609	-
ZAR				
Financial assets				
Cash and cash equivalents	518	-	518	-
Trade and other receivables	530		530	
Financial liabilities				
Borrowings	-	(1,587)		(1,587)
Trade and other payables	(431)	(1,337)	-	(859)
Net financial (liabilities)/asset	617	(2,924)	1,048	(2,446)

Sensitivity analysis for foreign exchange risk

The following table details the Group's sensitivity to a 21%, increase and decrease in Naira against US dollar, Euro, Great Britain's Pound (GBP), Swiss Franc (CHF) and South Africa Rand (ZAR). Management believes that a 21% movement in either direction is reasonably possible at the 31 December 2022. A positive number indicates an increase in profit where Naira strengthens by 21% against the currencies. For a 21% weakening of Naira against the currencies there would be an equal and opposite impact on profit, and the balances below would be negative.

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

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

	Group		**Company**	
	31 Dec 2022	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
US Dollar	**N'000**	**N'000**	**N'000**	**N'000**
Increase in exchange rate by 21%	(4,591,605)	(3,137,836)	(3,756,606)	(2,616,531)
Decrease in exchange rate by 21%	4,591,605	3,137,836	3,756,606	2,616,531
Euro				
Increase in exchange rate by 21%	(3,303,513)	(2,780,452)	(3,098,565)	(2,705,028)
Decrease in exchange rate by 21%	3,303,513	2,780,452	3,098,565	2,705,028
GBP				
Increase in exchange rate by 21%	(23,130)	(160,252)	39,770	(155,611)
Decrease in exchange rate by 21%	23,130	160,252	(39,770)	155,611
ZAR				
Increase in exchange rate by 21%	5,028	(19,723)	8,540	(16,499)
Decrease in exchange rate by 21%	(5,028)	19,723	(8,540)	16,499

4.2 Capital management

4.2.1 Risk management

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

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

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

The gearing ratios at 31 December 2022 and 31 December 2021 were as follows:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Total borrowings	36,592,850	23,287,321	33,785,424	20,555,913
Less: Cash and cash equivalents excluding bank overdrafts	118,398,495	50,057,345	106,901,117	45,128,099
Net (cash)/ debt	(81,805,645)	(26,770,024)	(73,115,693)	(24,572,186)
Total equity	416,102,005	378,560,676	434,275,803	395,349,470
Total capital	334,296,360	351,790,652	361,160,110	370,777,284
Gearing ratio	(0.20)	(0.07)	(0.17)	(0.06)

4.3 Accounting classification and fair values

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

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

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

	Group			
	31 December 2022		31 December 2021	
	N'000	N'000	N'000	N'000
	Fair value	Carrying Value	Fair value	Carrying Value
Financial Assets				
Financial Assets classified at amortised cost				
Trade and other receivables	6,353,825	6,353,825	7,196,754	7,196,754
Other financial assets	21,000	21,000	6,324,051	6,324,051
Cash and cash equivalents	118,398,495	118,398,495	50,057,345	50,057,345
Financial Liabilities				
Financial liabilities classified as amortised cost				
Trade and other payables**	72,186,550	72,186,550	53,594,594	53,594,594
Borrowings	36,592,850	36,592,850	23,287,321	23,287,321

	Company			
	31 December 2022		31 December 2021	
	N'000	N'000	N'000	N'000
	Fair value	Carrying Value	Fair value	Carrying Value
Financial Assets				
Financial Assets classified at amortised cost				
Trade and other receivables	43,149,848	43,149,848	32,377,152	32,377,152
Other financial assets	6,321,709	6,321,709	6,321,709	6,321,709
Cash and cash equivalents	106,901,117	106,901,117	45,128,099	45,128,099
Financial Liabilities				
Financial liabilities classified at amortised cost				
**Trade and other payables	82,821,034	82,821,034	66,467,386	66,467,386
Borrowings	33,785,424	33,785,424	20,555,913	20,555,913

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

4.4 Offsetting financial assets and financial liabilities

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

5 Segment Reporting

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

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

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

The segments identified meet the recognition criteria as a reportable segment under IFRS 8.
The amounts provided to the Board of Directors with respect to total income and expense are measured in a manner consistent with that of the consolidated and separate financial statements. Assets are allocated based on the use of the segment and the physical location of the asset.

*Deferred tax assets and liabilities are not assessed for the purpose of segment reporting.
No single customer contributed revenue in excess of 10% of the total revenue of any segment

5.1 Segment Information by Product line

	External revenue		Gross revenue	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Cement	361,963,358	285,122,310	363,186,556	287,217,004
Readymix and other products	11,281,580	7,963,873	11,281,580	7,286,693
Total	**373,244,938**	**293,086,183**	**374,468,136**	**294,503,697**

Revenue from internal customers of N5.2 billion (2021:N2.1 billion) has been eliminated on consolidation.

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

	Cement	Readymix and other products	31 Dec 2021 Total
	N'000	N'000	N'000
Revenue	**285,122,310**	**7,963,873**	**293,086,183**
Production cost of sales	(146,261,647)	(4,229,988)	(150,491,635)
Other Income	591,932	95,160	687,092
Other expenses	(77,367,702)	(792,744)	(78,160,446)
Operating profit	**62,084,893**	**3,036,301**	**65,121,194**

	Cement	Readymix and other products	31 Dec 2022 Total
Statement of financial position by segment:	N'000	N'000	N'000
Property, plant & equipments	339,306,616	2,151,884	341,458,500
Other non current assets	61,735,514	1,238,789	62,974,303
Current assets	194,384,241	1,894,429	196,278,670
Total assets	**595,426,371**	**5,285,102**	**600,711,473**
Non current liabilities	(15,663,234)	(563,404)	(16,226,638)
Current liabilities	(165,851,750)	(2,531,080)	(168,382,830)
Net assets/(liabilities)	**413,911,387**	**2,190,618**	**416,102,005**

	Cement	Readymix and other products	31 Dec 2021 Total
Statement of financial position by segment:	N'000	N'000	N'000
Property, plant & equipments	336,591,212	2,130,535	338,721,747
Other non current assets	50,473,816	1,067,750	51,541,566
Current assets	135,456,725	1,118,159	136,574,884
Total assets	**522,521,753**	**4,316,444**	**526,838,197**
Non current liabilities	(17,465,854)	241,422	(17,224,432)
Current liabilities	(132,881,182)	1,828,093	(131,053,089)
Net assets/(liabilities)	**372,174,717**	**6,385,959**	**378,560,676**

		Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		N'000	N'000	N'000	N'000
6 Revenue					
Sale of goods		373,244,938	293,086,183	340,633,999	262,299,071
The following is an analysis of revenue by product:	**Timing of revenue recognition**				
Cement	Point in time	361,963,358	285,122,310	329,469,788	254,338,450
Aggregate and concrete	Point in time	10,937,235	7,625,283	10,937,235	7,625,283
Other products (Note 6.1)	Point in time	344,345	338,590	226,976	335,338
		373,244,938	**293,086,183**	**340,633,999**	**262,299,071**

6.1 Other products represent revenue earned from the sale of mortar

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Receivables, which are included in trade and other receivables (Note 21)	3,259,867	2,512,634	4,114,126	7,152,841
Contract liabilities (Note 33)	(46,019,970)	(43,361,653)	(40,410,912)	(36,414,142)

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
7 Cost of sales				
Variable costs (Note 7.1)	111,200,793	88,534,899	98,125,999	73,528,082
Production costs (Note 7.2)	25,248,487	12,396,058	16,595,001	5,473,124
Maintenance costs	16,965,031	14,609,335	15,588,734	13,366,828
Depreciation (Note 15.6)	23,593,929	30,136,307	21,057,297	27,937,649
Impairment of property, plant and equipment (Note 15.2)	-	4,802,130	-	4,802,130
Amortisation of intangible assets (Note 16.1)	14,992	26,876	14,992	26,876
	177,023,232	**150,505,605**	**151,382,023**	**125,134,689**
7.1 Variable costs				
Fuel and power	62,208,056	51,508,789	51,798,916	41,085,241
Raw materials and consumables	48,992,737	37,026,110	46,327,083	32,442,841
	111,200,793	**88,534,899**	**98,125,999**	**73,528,082**

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
8 Selling and distribution costs				
Distribution variable costs	75,902,340	47,323,492	70,497,897	43,538,373
Distribution fixed costs	8,703,363	5,832,411	8,052,794	4,322,748
Advertising expenses	1,713,779	1,038,358	1,713,779	1,038,358
Campaign and innovation expenses	3,328	21	3,328	21
Marketing staff salaries and other related costs	3,253,636	2,782,091	3,253,346	2,782,090
	89,576,446	**56,976,373**	**83,521,144**	**51,681,590**

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
9 Administrative expenses by nature				
Salaries and other staff related costs	7,643,600	8,620,212	7,643,600	8,628,116
Directors' costs	98,296	81,669	98,296	81,669
AGM Costs	143,332	69,783	143,332	69,783
Audit fees	120,400	107,500	102,340	91,375
Community relation	270,694	380,370	270,694	380,370
Fuel	64,144	30,304	63,070	30,304
Insurance	262,342	213,142	262,342	213,142
Advance payment of taxes and levies (Note 9.1)	1,999,062	1,999,062	1,999,062	1,999,062
Other supplies and spare parts	227,143	135,560	227,143	161,253
Rent	91,085	19,904	91,085	19,904
Consultancy fees	665,545	609,053	662,030	608,978
Repair and maintenance	211,786	102,346	211,786	102,346
Security Cost	70,541	104,436	70,541	104,436
Training	344,746	301,611	344,746	301,611
Travel	594,531	156,451	594,515	156,451
Office and general expenses (Note 9.2)	2,269,788	1,190,853	2,378,110	1,148,946
Depreciation (Note 15.6)	1,190,323	1,295,484	866,923	800,988
Amortisation of intangible assets (Note 16.1)	607,572	1,198,588	472,149	919,066
Technical service fees (Note 9.4)	5,702,755	4,542,142	5,106,463	4,239,457
	22,577,685	**21,158,470**	**21,608,227**	**20,057,257**

9.1 Advance payment of taxes and levies

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

9.2 Office and general expenses

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

9.3 Non-audit fees paid to KPMG Professional Services

The total amount of non-audit fees paid to KPMG Professional Services is ₦9.8million in the year ended 31st December 2022. This is in respect of Advisory services rendered in the year ended 31 December 2022

9.4 Technical service fees

The technical fee is computed based on the ongoing technical service agreement. The provison for the technical service fees is computed as 5%of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for both Group and Company, subject to maximum of 2%of net sales. The total technical service fees for the year ended 31st december 2022 for the Group and Company amounted to ₦5.7 billion and ₦5.1 billion, respectively (2021: ₦4.5 billion and ₦4.2 billion).

Lafarge Africa Plc is in the process of finalising a new technical service agreement with Holcim Technology Limited, a related party, which relates to Industrial Franchise. This agreement is awaiting registration with the National Office for Technology Acquisition and Promotion (NOTAP) in Nigeria.

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
10 Other income				
Gain on disposal of property, plant and equipment (Note 10.1)	24,597	89,742	24,597	89,742
Government grants (Note 10.2)	326,473	381,646	110,732	110,732
Gain on disposal of investment in joint venture (Note 17.4)	-	133,922	-	133,922
Sale of scraps and other miscellaneous income (Note 10.3)	206,417	81,782	221,425	80,516
	557,487	**687,092**	**356,754**	**414,912**

10.1 Gain on disposal of property, plant and equipment

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

10.2 Government grants

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

10.3 Sale of scraps and other miscellaneous income

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
11 Impairment loss on trade receivables				
Impairment loss on trade and other receivables	431,169	25,603	407,136	24,461
	431,169	**25,603**	**407,136**	**24,461**

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
12 Finance income and costs				
12.1 Interest income under the effective interest method and other finance income:				
Interest income on current accounts	1,486,857	527,487	1,386,958	485,883
Other finance income	47,035	26,878	47,035	26,879
Finance income per statement of cash flows	**1,533,892**	**554,365**	**1,433,993**	**512,762**
Foreign exchange gain (net)	-	1,185,888	-	1,387,683
Finance income	**1,533,892**	**1,740,253**	**1,433,993**	**1,900,445**
12.2 Finance costs:				
Interest on borrowings (Note 28.4)	(766,862)	(3,763,760)	(512,033)	(3,380,277)
Unwinding of discount on provisions (Note 29.1)	(174,976)	(140,460)	(87,315)	(75,559)
Interest cost on employees long service award (Note 31.2)	(237,636)	(122,262)	(198,175)	(102,680)
Interest cost on staff gratuities (Note 31.3)	(35,543)	(29,400)	(35,543)	(29,400)
Bank charges & other interest cost	(1,639,490)	(1,220,427)	(1,476,700)	(1,162,297)
Finance costs per statement of cash flows	**(2,854,507)**	**(5,276,309)**	**(2,309,766)**	**(4,750,213)**
Foreign exchange loss (net)	(13,128,577)	-	(11,659,247)	-
Finance costs	**(15,983,084)**	**(5,276,309)**	**(13,969,013)**	**(4,750,213)**
Net finance cost recognised in the profit or loss	**(14,449,192)**	**(3,536,056)**	**(12,535,020)**	**(2,849,768)**

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

	Group		Company	
12.3 Interest received per statement of cash flows	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Finance income per profit or loss	1,486,857	527,487	1,386,958	485,883
Interest received per statement of cash flows	**1,486,857**	**527,487**	**1,386,958**	**485,883**
12.4 Interest paid per statement of cash flows				
Finance costs per profit or loss	(15,983,084)	(5,276,309)	(13,969,013)	(4,750,213)
Interest payable/(receivable) /offset	240,712	(239,333)	158,864	(291,002)
Non-cash interest charged to profit or loss	448,155	292,122	321,033	207,639
Foreign exchange loss (net)	13,128,577	-	11,659,247	-
Interest paid per statement of cash flows	**(2,165,640)**	**(5,223,520)**	**(1,829,869)**	**(4,833,576)**
Breakdown as follows:				
Interest paid on leases (Note 28.4)	(314,080)	(986,072)	(314,080)	(986,072)
Interests paid on borrowings including bank charges	(1,851,560)	(4,237,448)	(1,515,789)	(3,847,504)
	(2,165,640)	**(5,223,520)**	**(1,829,869)**	**(4,833,576)**

13 Income tax expense

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
13.1 Minimum tax charge recognised in profit or loss	1,433,556	466,769	1,263,252	466,769

13.2 Income tax expense recognised in profit or loss

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Current taxation				
Company income tax (13.2.1)	-	1,207,988	-	-
Education tax	2,046,054	1,442,433	1,979,484	1,308,286
Police trust levy** (13.2.2)	1,725	-	1,725	-
Capital gains tax	-	358,164	-	358,164
Total current tax expense	2,047,779	3,008,585	1,981,209	1,666,450
Deferred taxation				
Origination and reversal of temporary differences	12,615,910	7,775,575	13,260,282	8,060,397
	14,663,689	10,784,160	15,241,491	9,726,847
Tax expense	**14,663,689**	**10,784,160**	**15,241,491**	**9,726,847**

13.2.1 The Group's and Company's operating results for the year ended 31 December 2022, when adjusted for tax purposes, resulted in a nil taxable income. Accordingly, no provision has been made for Company Income tax.

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

Lafarge Africa Plc has made a provision of ₦1.7m for the Company and Group in its income statement for the year ended December 31, 2022.

13.3 Income tax recognised in other comprehensive income

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Deferred tax arising on:				
Remeasurement of defined benefit obligation	(716)	(51,259)	(716)	(51,259)

13.4 Reconciliation of effective tax to statutory tax

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Profit before income tax expense	69,744,701	62,254,478	71,537,203	63,649,528
Tax calculated at statutory tax rate of 30%	20,923,410	18,676,343	21,461,161	19,094,859
Impact of disallowable expenses	596,394	3,719,849	476,344	2,358,434
Impact of non taxable income	(669,504)	(1,175,408)	(442,838)	(1,152,704)
Changes in estimate relating to prior year	-	(146,333)	-	(57,153)
Impact of education tax	2,046,054	1,534,584	1,979,484	1,308,286
Effect of pioneer status	(8,234,390)	(12,183,039)	(8,234,385)	(12,183,039)
Impact of police trust levy	1,725		1,725	
Impact of capital gains tax	-	358,164	-	358,164
Income tax expense recognised in profit or loss	14,663,689	10,784,160	15,241,491	9,726,847
Effective tax rate	21%	17%	21%	15%

13.5 Current tax liabilities

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Balance at 1 January	3,824,984	3,078,461	2,210,383	1,109,137
Charge for the year:				
Company income tax	-	1,207,988	-	-
Education tax	2,046,054	1,442,433	1,979,484	1,308,286
Police trust levy	1,725	-	1,725	-
Capital gains tax	-	358,164	-	358,164
Minimum tax	1,433,556	466,769	1,263,252	466,769
	7,306,319	6,553,815	5,454,844	3,242,356
Payment during the year	(3,418,812)	(2,728,831)	(2,283,314)	(1,031,973)
At 31 December	**3,887,507**	**3,824,984**	**3,171,530**	**2,210,383**

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Current income tax liabilities paid (Note 13.5)	(3,418,812)	(2,728,831)	(2,283,314)	(1,031,973)
Total current income taxes paid	(3,418,812)	(2,728,831)	(2,283,314)	(1,031,973)

13.7 Deferred taxation

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Deferred tax assets	2,031,419	15,292,417	2,031,419	15,292,417
Deferred tax liabilities	(8,472,328)	(9,116,700)	-	-
Deferred tax (liabilities)/ assets net	**(6,440,909)**	**6,175,717**	**2,031,419**	**15,292,417**

Group

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

Deferred tax liabilities/(assets):	At 1 January 2021 N'000	Reclassification	(Credit)/ charge to P/L N'000	(Credit)/ charge to OCI N'000	At 31 December 2021 N'000
Property, plant and equipment	1,425,290	2,834,287	(5,818,717)	-	(1,559,140)
Provisions and other liabilities	6,695,493	(2,803,626)	222,426	-	4,114,293
Unutilised tax losses	1,613,179	-	(1,613,179)	-	-
Employment benefit obligation	(101,530)	-	-	(51,259)	(152,789)
Unrealised exchange differences	4,370,119	(30,661)	(566,105)	-	3,773,353
Total deferred tax assets/(liabilities)	14,002,551	-	(7,775,575)	(51,259)	6,175,717

Company

Deferred tax assets:	At 1 January 2022 N'000	Reclassification N'000	(Credit)/ charge to P/L N'000	(Credit)/ charge to OCI N'000	At 31 December 2022 N'000
Property, plant and equipment	8,367,103	-	(18,303,131)	-	(9,936,028)
Provisions and other liabilities	3,247,489	-	571,905	-	3,819,394
Unrealised exchange differences	3,729,084	-	4,470,944	-	8,200,028
Post employment benefit obligation	(51,259)	-	-	(716)	(51,975)
Total deferred tax assets	15,292,417	-	(13,260,282)	(716)	2,031,419

Deferred tax assets:	At 1 January 2021 N'000	Reclassification	(Credit)/ charge to P/L N'000	(Credit)/ charge to OCI N'000	At 31 December 2021 N'000
Property, plant and equipment	11,668,254	2,834,287	(6,135,438)	-	8,367,103
Unutilised tax losses	1,613,181	-	(1,613,181)	-	-
Provisions and other liabilities	5,862,892	(2,803,626)	188,223	-	3,247,489
Unrealised exchange differences	4,259,746	(30,661)	(500,001)	-	3,729,084
Post employment benefit obligation	-	-	-	(51,259)	(51,259)
Total deferred tax assets	23,404,073	-	(8,060,397)	(51,259)	15,292,417

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

14 Profit before minimum tax

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Profit before minimum tax is stated after charging/(crediting):	**69,744,701**	**62,254,478**	**71,537,203**	**63,649,528**
Depreciation of property, plant and equipment (Note 15)	24,784,252	31,431,791	21,924,220	28,738,637
Amortisation and impairment of intangible assets (Note 16)	622,564	1,225,464	487,141	945,942
Impairment of property, plant and equipment (Note 15)	-	4,802,130	-	4,802,130
Directors' emoluments (Note 38)	67,072	81,669	67,072	81,669
Audit fees (Note 9)	120,400	107,500	102,340	91,375
Technical service fees (Note 9)	5,702,755	4,542,142	5,106,463	4,239,457
Gain on disposal of PPE (Note 10)	(24,597)	(89,742)	(24,597)	(89,742)
Foreign exchange (gain)/loss (Note 12)	13,128,577	(1,185,888)	11,659,247	(1,387,683)
Interest income on current account (Note 12.1)	(1,486,857)	(527,487)	(1,386,958)	(485,883)

15 Property, plant and equipment

Group	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	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
Cost:										
As at 1 January 2021	14,866,389	116,137,075	335,971,064	1,304,127	4,073,835	1,951,116	1,959,013	42,958,430	29,537,132	548,758,181
Capital expenditure	-	-	-	-	-	-	-	23,493,625	-	23,493,625
Reclasification from CWIP	-	184,079	12,806,006	92,924	1,117,371	-		(14,200,380)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	-	2,593,745	2,593,745
Reclassification to inventories		-	(1,595)		-	-	-	-	-	(1,595)
Reclassification from advance payment to supplier	-	-	(25,558)	-	-	-	-	673,979	-	648,421
Disposals	-	-	(27,229)	-	(94,330)	-	-	-	-	(121,559)
Modification of right of use assets	-	-	-	-	-	-	-	-	(54,704)	(54,704)
As at 31 December 2021	14,866,389	116,321,154	348,722,688	1,397,051	5,096,876	1,951,116	1,959,013	52,925,654	32,076,173	575,316,114
Cost:										
As at 1 January 2022	14,866,389	116,321,154	348,722,688	1,397,051	5,096,876	1,951,116	1,959,013	52,925,654	32,076,173	575,316,114
Capital expenditure	-	-	-	-	-	-	-	23,114,980	-	23,114,980
Reclasification from CWIP	241,549	1,993,050	15,890,273	438,862	2,465,693	30,741		(21,060,168)	-	-
Addition to right of use assets	-	-	-	-	-	-	-	-	3,430,358	3,430,358
Right of use assets prepaid	-	-	-	-	-	-	-	-	567,500	567,500
Reclassification from inventories	-	-	1,527,992	36,846	-	-	-	-	-	1,564,838
Disposals	-	(6,013)	(571,995)	-	(179,994)	-	-	-	-	(758,002)
Modification of right of use assets	-	-	-	-	-	-	-	-	(984,705)	(984,705)
As at 31 December 2022	15,107,938	118,308,191	365,568,958	1,872,759	7,382,575	1,981,857	1,959,013	54,980,466	35,089,326	602,251,083

	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	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
Accumulated depreciation and impairment losses:										
As at 1 January 2021	4,852,205	32,466,158	121,378,919	1,070,940	3,083,074	1,532,100	188,538	16,144,134	19,713,963	200,430,031
Charge for the year	72,435	3,927,588	17,936,279	86,977	328,656	246,104	-	-	8,833,751	31,431,791
On disposals	-	-	(27,230)	-	(42,355)	-	-	-	-	(69,585)
Impairment	-	13,969	4,788,161	-	-	-	-	-	-	4,802,130
As at 31 December 2021	4,924,640	36,407,715	144,076,129	1,157,917	3,369,375	1,778,204	188,538	16,144,134	28,547,714	236,594,366
As at 1 January 2022	4,924,640	36,407,715	144,076,129	1,157,917	3,369,375	1,778,204	188,538	16,144,134	28,547,714	236,594,366
Charge for the year	26,450	4,013,911	16,639,284	99,060	460,549	59,554	39,294	-	3,446,150	24,784,252
On disposals	-	(5,856)	(400,186)	-	(179,993)	-	-	-	-	(586,035)
As at 31 December 2022	4,951,090	40,415,770	160,315,227	1,256,977	3,649,931	1,837,758	227,832	16,144,134	31,993,863	260,792,583
Carrying amount										
As at 31 December 2022	10,156,848	77,892,421	205,253,731	615,782	3,732,644	144,099	1,731,181	38,836,330	3,095,463	341,458,500
At 31 December 2021	9,941,749	79,913,439	204,646,558	239,134	1,727,501	172,912	1,770,475	36,781,520	3,528,459	338,721,748
At 1 January 2021	10,014,184	83,670,917	214,592,145	233,187	990,761	419,016	1,770,475	26,814,295	9,823,169	348,328,150

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

Company	Leasehold Land	Buildings	Production Plant	Furniture	Motor Vehicles	Computer Equipment	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
As at 1 January 2021	7,719,084	97,421,101	302,352,970	753,749	3,286,025	1,557,012	-	20,437,742	29,520,108	463,047,791
Capital expenditure	-	-	-	-	-	-	-	17,309,398	-	17,309,398
Reclasification from CWIP	-	133,211	12,049,179	59,594	1,019,546	-	-	(13,261,530)	-	-
Additions	-	-	-	-	-	-	-	-	1,948,657	1,948,657
Disposals	-	-	(27,229)	-	(94,330)	-	-	-	-	(121,559)
Reclassification to inventories	-	-	(1,595)	-	-	-	-	-	-	(1,595)
Reclassification from advance payment to supplier	-	-	(25,556)	-	-	-	-	673,977	-	648,421
Modification of right of use assets	-	-	-	-	-	-	-	-	(54,704)	(54,704)
As at 31 December 2021	7,719,084	97,554,312	314,347,769	813,343	4,211,241	1,557,012	-	25,159,587	31,414,061	482,776,409
Cost:										
As at 1 January 2022	7,719,084	97,554,312	314,347,769	813,343	4,211,241	1,557,012	-	25,159,587	31,414,061	482,776,409
Capital expenditure	-	-	-	-	-	-	-	20,547,026	-	20,547,026
Reclassification from CWIP	128,041	1,538,591	13,857,627	438,862	1,988,170	30,741	-	(17,982,032)	-	-
Additions	-	-	-	-	-	-	-	-	3,430,358	3,430,358
Right of use assets prepaid	-	-	-	-	-	-	-	-	567,500	567,500
Disposal	-	(6,013)	(571,995)	-	(179,994)	-	-	-	-	(758,002)
Reclassification from inventories	-	-	1,527,992	-	-	-	-	-	-	1,527,992
Modification of right of use assets	-	-	-	-	-	-	-	-	(984,705)	(984,705)
As at 31 December 2022	7,847,125	99,086,890	329,161,393	1,252,205	6,019,417	1,587,753	-	27,724,581	34,427,214	507,106,578
Accumulated depreciation and impairment losses:										
As at 1 January 2021	4,836,206	26,235,581	108,081,752	655,444	2,531,254	1,169,130	-	12,394,270	19,696,939	175,600,576
Charge for the year	72,435	3,166,980	16,485,252	28,608	309,167	112,850	-	-	8,563,345	28,738,637
Impairment loss	-	13,969	4,788,161	-		-	-	-	-	4,802,130
Disposals	-	-	(27,230)	-	(42,355)	-	-	-	-	(69,585)
As at 31 December 2021	4,908,641	29,416,530	129,327,935	684,052	2,798,066	1,281,980	-	12,394,270	28,260,284	209,071,758
As at 1 January 2022	4,908,641	29,416,530	129,327,935	684,052	2,798,066	1,281,980	-	12,394,270	28,260,284	209,071,758
Charge for the year	24,558	3,240,836	15,059,477	44,118	383,476	48,150	-	-	3,123,606	21,924,221
Disposals	-	(5,856)	(400,186)	-	(179,994)	-	-	-	-	(586,036)
As at 31 December 2022	4,933,199	32,651,510	143,987,226	728,170	3,001,548	1,330,130	-	12,394,270	31,383,889	230,409,943
Carrying amount										
As at 31 December 2022	2,913,926	66,435,380	185,174,167	524,035	3,017,869	257,623	-	15,330,311	3,043,324	276,696,636
At 31 December 2021	2,810,443	68,137,782	185,019,834	129,291	1,413,175	275,032	-	12,765,317	3,153,777	273,704,651
At 1 January 2021	2,882,878	71,185,520	194,271,218	98,305	754,771	387,882	-	8,043,472	9,823,169	287,447,215

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

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

	Group 2022 N'000	Group 2021 N'000	Company 2022 N'000	Company 2021 N'000
Acquisition of property, plant and equipment	23,114,980	23,562,215	20,547,026	17,309,398
Additions to Right of use assets	567,500	-	567,500	-
Property, plant and equipment accrual (Note 33.1.5)	(1,993,507)	(986,405)	(1,571,706)	(178,105)
Reclassification from inventories	1,564,838	-	1,527,992	-
Property, plant and equipment paid in the statement of cash flows	**23,253,811**	**22,575,810**	**21,070,812**	**17,131,293**

15.2 Impairment of property, plant and equipment

There is no impairment loss recognised in 2022. An impairment of ₦4.8billion was recognised in 2021 to reflect the recoverable value of Sagamu plant.

15.3 Assets pledged as security

The Group has no assets pledged as security as at 31 December 2022 (2021: Nil).

15.4 Construction work in progress and Capital commitments

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

15.5 Breakdown of construction work in progress

	Group 2022 N'000	Group 2021 N'000	Company 2022 N'000	Company 2021 N'000
Buildings	27,425,980	24,711,253	5,242,099	3,571,892
Production Plant	10,369,897	10,828,503	9,183,710	8,434,510
Motor Vehicles	354,816	145,889	354,816	-
Computer Equipment	464,714	818,246	434,694	594,512
Exploration and evaluation assets	220,923	277,628	114,992	164,404
	38,836,330	**36,781,519**	**15,330,311**	**12,765,318**

15.6 Depreciation

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

	Group 2022 N'000	Group 2021 N'000	Company 2022 N'000	Company 2021 N'000
Cost of sales (Note 7)	23,593,929	30,136,307	21,057,298	27,937,649
Administrative expenses (Note 9)	1,190,323	1,295,484	866,923	800,988
	24,784,252	**31,431,791**	**21,924,221**	**28,738,637**

15.7 Right of Use Assets

GROUP	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
Cost:					
As at 1 January 2021	130,941	2,068,506	2,182,105	25,155,580	29,537,132
Additions	39,498	149,500	2,137,477	267,270	2,593,745
Modification of leases	-	-	-	(54,704)	(54,704)
As at 31 December 2021	**170,439**	**2,218,006**	**4,319,582**	**25,368,146**	**32,076,173**
As at 1 January 2022	170,439	2,218,006	4,319,582	25,368,146	32,076,173
Additions**	574,328	939,550	1,794,789	689,191	3,997,858
Additions to Right of use assets	-	-	-	-	-
Modification of leases	-	-	-	(984,705)	(984,705)
As at 31 December 2022	**744,767**	**3,157,556**	**6,114,371**	**25,072,632**	**35,089,326**
Accumulated depreciation:					
As at 1 January 2021	48,160	1,305,658	2,157,795	16,202,350	19,713,963
Depreciation charge for the period	37,555	486,209	1,689,905	6,620,081	8,833,751
As at 31 December 2021	**85,715**	**1,791,867**	**3,847,700**	**22,822,431**	**28,547,714**
As at 1 January 2022	85,715	1,791,867	3,847,700	22,822,431	28,547,714
Depreciation charge for the period	38,894	388,734	1,139,976	1,878,546	3,446,150
As at 31 December 2022	**124,609**	**2,180,601**	**4,987,676**	**24,700,977**	**31,993,863**
Carrying amount					
As at 31 December 2022	**620,158**	**976,955**	**1,126,695**	**371,655**	**3,095,463**
As at 31 December 2021	**84,724**	**426,139**	**471,882**	**2,545,715**	**3,528,459**
As at 1 January 2021	**82,781**	**762,848**	**24,310**	**8,953,230**	**9,823,169**

Company	Leasehold Land N'000	Buildings N'000	Production Plant N'000	Motor Vehicles N'000	Total N'000
Cost:					
As at 1 January 2021	130,941	2,051,482	2,182,105	25,155,580	29,520,108
Additions**	39,498	149,500	1,492,388	267,271	1,948,657
Modification of leases	-	-	-	(54,704)	(54,704)
As at 31 December 2021	**170,439**	**2,200,982**	**3,674,493**	**25,368,147**	**31,414,061**
As at 1 January 2022	170,439	2,200,982	3,674,493	25,368,147	31,414,061
Additions**	574,328	939,550	1,794,789	689,191	3,997,858
Modification of leases ***				(984,705)	(984,705)
As at 31 December 2022	**744,767**	**3,140,532**	**5,469,282**	**25,072,633**	**34,427,214**
Accumulated depreciation:					
As at 1 January 2021	48,160	1,288,634	2,157,795	16,202,350	19,696,939
Depreciation charge for the period	37,555	486,210	1,419,498	6,620,082	8,563,345
As at 31 December 2021	**85,715**	**1,774,844**	**3,577,293**	**22,822,432**	**28,260,284**
As at 1 January 2022	85,715	1,774,844	3,577,293	22,822,432	28,260,284
Depreciation charge for the period	38,894	388,734	817,432	1,878,546	3,123,606
As at 31 December 2022	**124,609**	**2,163,578**	**4,394,725**	**24,700,978**	**31,383,890**
Carrying amount					
As at 31 December 2022	**620,158**	**976,954**	**1,074,557**	**371,655**	**3,043,324**
As at 31 December 2021	**84,724**	**426,138**	**97,200**	**2,545,715**	**3,153,777**
As at 1 January 2021	**82,781**	**762,848**	**24,310**	**8,953,230**	**9,823,169**

The Group and Company lease several assets, including cement depots, residential apartments, and trucks. The average lease term of the contracts is 3-5years.
**Additions relate to new lease contracts entered into during the year.

***During the year, the Group modified the consideration of its logistics lease contracts to reflect the appropriate minimum fixed costs based on the trucks performance. The impact of the modification amounted to ₦984m (2021: ₦55m) for the Group and Company.

16 Intangible assets

	Group Intangible Assets N'000	Total N'000
Cost		
Balance at 1 January 2021	4,823,863	4,823,863
Balance at 31 December 2021	**4,823,863**	**4,823,863**
Balance at 1 January 2022	4,823,863	4,823,863
Balance at 31 December 2022	**4,823,863**	**4,823,863**
Accumulated Amortisation		
Balance at 1 January 2021	2,884,653	2,884,653
Charge for the year	1,225,464	1,225,464
Balance at 31 December 2021	**4,110,117**	**4,110,117**
Balance at 1 January 2022	4,110,117	4,110,117
Charge for the year	622,564	622,564
Balance at 31 December 2022	**4,732,681**	**4,732,681**
Carrying amount		
Balance at 1 January 2021	**1,939,210**	**1,939,210**
Balance at 31 December 2021	**713,746**	**713,746**
Balance at 31 December 2022	**91,182**	**91,182**

Cost	Company Intangible Assets N'000	Total N'000
Balance at 1 January 2021	3,323,900	3,323,900
Balance at 31 December 2021	**3,323,900**	**3,323,900**
Balance at 1 January 2022	3,323,900	3,323,900
Balance at 31 December 2022	**3,323,900**	**3,323,900**
Accumulated Amortisation		
Balance at 1 January 2021	1,799,636	1,799,636
Charge for the year	945,942	945,942
Balance at 31 December 2021	**2,745,578**	**2,745,578**
Balance at 1 January 2022	2,745,578	2,745,578
Charge for the year	487,141	487,141
Balance at 31 December 2022	**3,232,719**	**3,232,719**
Carrying amount		
Balance at 1 January 2021	**1,524,264**	**1,524,264**
Balance at 31 December 2021	**578,322**	**578,322**
Balance at 31 December 2022	**91,181**	**91,181**

Intangible assets represents mineral rights and computer software in the Group's operations.

16.1 Amortisation of intangible assets

Amortisation for the year has been charged as follows:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Cost of sales (Note 7)	14,992	26,876	14,992	26,876
Administrative expenses (Note 9)	607,572	1,198,588	472,149	919,066
	622,564	**1,225,464**	**487,141**	**945,942**

17 Interests in other entities

17.1 Investments in subsidiaries

The Group's principal subsidiaries at 31 December 2022 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 2022

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

31 December 2021

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

17.2 Investment in joint venture - Continental Blue Investment, Ghana

On January 20, 2021, the Board of Directors of Lafarge Africa Plc approved the disposal of the Company's investment in Continental Blue Investment Ghana Ltd (CBI) via a sale of the total equity interest of 35% held by the Company in CBI to a third party, F. Scott AG. The sale was concluded on June 30, 2021.

Until the date of the disposal, the Group had 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 was accounted for using the equity method in the consolidated and separate financial statements until the date of disposal.

As at 30 June 2021, the carrying amount of the Company's investment in Continental Blue Investment (CBI) was ₦1.08 billion, including the share of profit in 2021 to the date of disposal. As at 31 December 2021, the joint venture is no longer part of the Group.

Notes on disposal are set out in Note 17.3 below.

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

	31 Dec 2022 N'000	30 June 2021 N'000
Revenue	-	17,178,365
Cost of sales	-	(11,867,848)
Other operating income	-	85,127
Operating expenses	-	(2,565,705)
Profit before tax	-	2,829,939
Income tax expense	-	-
Profit for the year	-	2,829,939
Other comprehensive (loss)/income, net of tax		
Exchange differences on translation (100%)	-	(835,881)
Other comprehensive (loss)/income, net of tax (100%)	-	(835,881)
Total comprehensive income/(loss) (100%)	-	1,994,058
Share of Profit/(loss) for the year (35%)	-	990,479
Share of other comprehensive (loss)/income, net of tax for the year (35%)	-	(292,558)
Total comprehensive income/(loss) (35%)	**-**	**697,921**
Company's share of Profit/(loss)	-	990,479
Previously unrecognised share of loss	-	-
Reclassification of share of OCI on disposal of joint venture	-	(307,169)
Company's recognised share of profit/(loss)	**-**	**683,310**

17.3 Disposal of investment in Joint

The proceeds realized by Lafarge Africa Plc in 2021 from the disposal of investment in CBI Ghana amounted to USD 8.2m after repayment of the loan granted by Lafarge Africa Plc to CBI Ghana (USD 5.8m), settlement of earn out obligation by Lafarge Africa Plc (USD 3.6m) and payment for Lafarge Africa Plc's shares by F. Scott AG (USD 6m).

17.4 Gain on disposal of the investment

	USD'000	Rate	31 Dec 2021 N'000
Sales consideration	6,041	505	3,051,608
			3,051,608
Less:			
Derecognition of carrying value of equity accounted investee			(1,077,353)
Earn out obligation paid	(3,643)	505	(1,840,333)
Gain on disposal			**133,922**

17.5 Cashflow from the disposal of the investment

	USD'000	USD'000	Rate	31 Dec 2021 N'000
Proceeds received from sales		8,200	505	4,142,066
				4,142,066
Split into:				
Repayment of loan principal		3,850	505	1,944,751
Repayment of loan interest		1,952	505	985,897
Sales value of investment	6,041			
Earn out obligation paid	(3,643)	2,398	505	1,211,419
				4,142,066

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
18 Other financial assets	N'000	N'000	N'000	N'000
Current:				
Other financial assets (Note 18.1)	21,000	19,035,529	14,335	18,975,911
	21,000	**19,035,529**	**14,335**	**18,975,911**

18.1 Other financial assets - Current

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Short term receivables	21,000	151,029	14,335	91,411
Security deposit receivables (Note 18.1.	-	18,884,500	-	18,884,500
	21,000	**19,035,529**	**14,335**	**18,975,911**

18.1.1 Security deposit receivables

In prior year, the Company held a security deposit on foreign exchange forward contract with a bank in Nigeria, which also bore interest at 0.5% per annum. The amount was received in two tranches during the year April and May 2022.

19 Other assets

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Non current	60,851,702	35,535,403	57,167,949	32,699,442
Current	18,462,277	15,275,129	17,326,786	14,734,768
	79,313,979	**50,810,532**	**74,494,735**	**47,434,210**
Advance payment to suppliers	16,712,693	7,803,330	15,699,180	7,363,914
Prepayment for Gas (Note 19.1)	32,847,289	28,714,124	32,847,289	28,714,124
Prepaid rent	198,895	58,473	188,323	58,473
Prepaid insurance	1,465,183	1,074,065	1,353,777	973,121
Advance payment to transporters	24,320,660	9,506,239	24,320,660	9,506,239
Advance payment of taxes and levies (Note 9.1)	699,999	818,338	699,999	818,338
Letters of credit	3,683,753	2,835,962	-	-
	79,928,472	**50,810,531**	**75,109,228**	**47,434,209**

19.1 Prepayment for Gas

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

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

20 Inventories

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Raw materials	5,334,179	8,555,834	4,696,009	8,257,774
Work in progress	319,149	1,083,046	1,105,150	831,966
Finished goods	10,462,501	11,233,700	7,948,247	8,862,384
Spare parts	27,038,273	17,819,245	22,779,550	15,663,520
Other supplies (Note 20.1)	9,888,971	6,318,302	5,367,249	3,040,850
	53,043,073	**45,010,127**	**41,896,205**	**36,656,494**

The cost of inventories recognised as an expense during the year and included in 'cost of sales' was ₦67.9 billion (2021: ₦47.7 billion) and ₦59.0 billion (2021: ₦38.9 billion) for the Group and Company respectively.

Total inventory write down recognised during the year was ₦2.1billion (2021: ₦8.0 billion) and ₦6.6 billion (2021: ₦4.4 billion) for the Group and Company respectively.

The Company employs the services of the following external valuation specialists for the measurement and valuation of inventories;
- Geofourier systems limited (FRC/2021/003/00000022935);
- Isayinka olusegun (FRC/2021/004/00000024038).

Included in finished goods is off-spec clinker amounting to ₦7.2 billion and ₦1.9 billion (2021:₦6.5 billion and ₦2.5 billion) for Group and Company respectively and an obsolescence allowance of ₦5.6 billion and ₦1.3 billion (2021:₦2.5 billion and ₦0.8 billion) for Group and Company respectively.

20.1 Other supplies

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

21 Trade and other receivables

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Trade receivables:				
Third party receivables	3,971,532	2,793,130	3,567,496	2,617,516
Related party sales (Note 37.4)	-	-	1,223,198	4,804,757
	3,971,532	2,793,130	4,790,694	7,422,273
Impairment on trade receivables (Note 21.3)	(711,665)	(280,496)	(676,568)	(269,432)
Net trade receivables	3,259,867	2,512,634	4,114,126	7,152,841
Other receivables (Note 21.1)	2,365,694	4,206,173	2,225,951	4,133,505
Due from related parties (Note 37.5)	728,264	477,947	36,809,771	21,090,806
	3,093,958	4,684,120	39,035,722	25,224,311
Net other receivables	3,093,958	4,684,120	39,035,722	25,224,311
Total trade and other receivables	**6,353,825**	**7,196,754**	**43,149,848**	**32,377,152**

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

21.1 Analysis of other receivables

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Short term receivables (Note 21.2)	2,355,404	4,202,133	2,215,661	4,129,465
Staff advances	10,290	4,040	10,290	4,040
	2,365,694	**4,206,173**	**2,225,951**	**4,133,505**

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

21.2 Short term receivables

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
WHT receivable	990,756	970,570	990,756	927,648
VAT receivable	79	504,334	-	504,255
Receivable from gas contract	605,361	2,133,150	605,361	2,133,150
Receivables from registrar	202,096	264,412	202,096	264,412
Receivables from bank	300,000	300,000	300,000	300,000
Other receivables	257,112	29,667	117,448	-
	2,355,404	**4,202,133**	**2,215,661**	**4,129,465**

Included in other receivables is receivable due from transporters for supply of diesel as at 31 December 2022.

21.3 Impairment loss

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
At 1 January	280,496	254,892	269,432	244,970
Impairment losses recognised	431,169	25,603	407,136	24,461
At 31 December	**711,665**	**280,495**	**676,568**	**269,431**

22 Cash and cash equivalents

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Restricted cash (Note 22.1)	1,636,942	1,431,461	1,636,942	1,431,461
Cash in hand and at bank (Note 22.2)	116,761,553	48,625,884	105,264,175	43,696,638
Cash and cash equivalents in the statement of financial position	**118,398,495**	**50,057,345**	**106,901,117**	**45,128,099**

22.1 Restricted cash

As at year end, cash and cash equivalents included restricted cash, which represents unclaimed dividend amounting to ₦1.64 billion (2021: ₦1.43 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.

22.2 Cash and cash equivalents in the statement of cash flows

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Cash in hand and at bank	116,761,553	48,625,884	105,264,175	43,696,638
Cash and cash equivalents in the statement of cash flows	116,761,553	48,625,884	105,264,175	43,696,638

Share capital and Share premium

23 Share capital

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Authorised:				
16,107,795,721 ordinary shares of 50k each (2021: 20,000,000,000 ordinary shares of 50k each)	8,053,899	10,000,000	8,053,899	10,000,000

Issued and fully paid
Ordinary shares of 50k each

	No of shares '000	Share capital N'000
At 1 January 2022	16,107,796	8,053,899
Issued during the year	-	-
At 31 December 2022	16,107,796	8,053,899
At 1 January 2021	16,107,796	8,053,899
Issued during the year	-	-
At 31 December 2021	**16,107,796**	**8,053,899**

At the Company's 63rd Annual General Meeting held on 21st April 2022, the shareholders of the Company passed a special resolution for the cancellation of the 3,892,204,279 unissued shares of the Company, in accordance with the requirements of the Companies and Allied Matters Act 2020. Pursuant to this, the Company's authorised, issued and fully paid share capital is N8,053,897,860.50 divided into 16,107,795,721 ordinary shares of 50 kobo each.

24 Share premium

	No of shares N'000	Share premium N'000
At 1 January 2022	16,107,796	435,148,731
Issued during the year	-	-
Right issue costs	-	-
At 31 December 2022	**16,107,796**	**435,148,731**
At 1 January 2021	16,107,796	435,148,731
Issued during the year	-	-
Right issue costs	-	-
At 31 December 2021	**16,107,796**	**435,148,731**

25 Earnings per share

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Profit attributable to equity holders of the Company	53,647,456	51,003,549	55,032,460	53,455,912
Weighted average number of ordinary shares in issue (Basic)	16,107,796	16,107,796	16,107,796	16,107,796
Weighted average number of ordinary shares in issue (diluted)	16,107,796	16,107,796	16,107,796	16,107,796
Basic earnings per share (Kobo)	333	317	342	332
Diluted earnings per share (Kobo)	333	317	342	332

26 Foreign currency translation reserve

This represents exchange differences arising from the translation of joint venture operation from Continental Blue Investment Ghana to the Group's reporting currency which is Naira. This investment was disposed in June 2021.

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

28 Loans and borrowings

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Non-current	1,530,387	2,482,049	529,850	709,077
Current	35,062,463	20,805,272	33,255,574	19,846,836
Total loans and borrowings	**36,592,850**	**23,287,321**	**33,785,424**	**20,555,913**
Split into:				
Power fund (Note 28.1)	2,145,449	3,268,947	430,356	903,795
Bank Loans (Note 28.2)	32,460,672	17,004,788	30,435,997	16,141,855
Lease liabilities (Note 28.3)	1,986,729	3,013,586	1,919,868	2,615,561
Related party loan (Note 28.5)	-	-	999,203	894,702
Total loans and borrowings	**36,592,850**	**23,287,321**	**33,785,424**	**20,555,913**

28.1 Power Fund:
Lafarge Africa Plc accessed ₦5.3 billion from the unsecured CBN/BOI Power and Aviation Intervention Fund through Guaranty Trust Bank Plc (GTB). Principal and Interest are paid quarterly. The facility has a 10-year tenure with a fixed interest rate of 4% per annum and an effective interest rate of 15.23%. per annum The outstanding balance disclosed in the Company's books amounts to ₦430 million (2021: ₦904 million), which is the amortised cost to date.

The Group also assessed an additional N6.4 billion from the unsecured CBN/BOI intervention fund in 2019 through Zenith Bank. The loan assessed amounted to ₦6.4 billion. Principal repayment commenced in December 2019. The facility has a 7.5-years tenure and an interest rate of 5% per annum. The outstanding balance, at amortised cost, amounts to ₦1.7 billion (2021: ₦2.4billion) bringing the total balance in the Group's books to ₦2.1billion (2021:₦3.3bn).

28.2 Bank Loans: These represent letters of credit facility lines obtained from financial institutions. Interest rate ranges from 9% - 12% p.a and the loans are payable within one year.

28.3 Lease liabilities

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Maturity analysis				
Less than 1 year	1,456,827	2,620,298	1,389,966	2,280,151
Between one and two years	355,664	115,572	355,664	57,694
Between two and five years	19,271	125,088	19,271	125,088
Five years and above	154,967	152,628	154,967	152,628
	1,986,729	**3,013,586**	**1,919,868**	**2,615,561**
Analysed as				
Non current	529,902	393,288	529,902	335,410
Current	1,456,827	2,620,298	1,389,966	2,280,151
Total lease liabilities	**1,986,729**	**3,013,586**	**1,919,868**	**2,615,561**

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

28.4 Movement in loans and borrowings

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
At 1 January	23,287,321	49,732,830	20,555,913	47,233,357
Additions:				
Leases	3,436,807	2,409,246	3,436,807	1,764,158
Loans received	27,125,828	15,717,396	25,517,934	15,203,057
	53,849,956	67,859,472	49,510,654	64,200,572
Interest expense (Note 12.2)	766,862	3,763,760	512,032	3,380,277
Interest paid on borrowing	(212,070)	(2,888,751)	(39,089)	(2,685,207)
Interest paid on leases	(314,080)	(986,072)	(314,080)	(986,072)
Principal repaid	(18,700,161)	(36,045,934)	(16,669,658)	(35,180,135)
Repayment of lease liabilities	(3,275,995)	(7,208,823)	(3,275,995)	(6,952,724)
Impact of modification of leases	(856,505)	(55,683)	(856,505)	(55,683)
Exchange loss / (gain)	5,334,843	(1,150,648)	4,918,065	(1,165,115)
At 31 December	**36,592,850**	**23,287,321**	**33,785,424**	**20,555,913**
Less than one year	35,062,463	20,502,893	33,255,574	19,486,577
Between one and two years	1,139,699	1,506,229	355,612	791,620
Between two to five years	235,721	1,125,571	19,271	125,088
After five years	154,967	152,628	154,967	152,628
	36,592,850	**23,287,321**	**33,785,424**	**20,555,913**

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

29 Provisions

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Non current (Note 29.1)	2,718,463	2,103,557	1,389,034	1,193,962
Current (Note 29.2)	2,353,466	2,918,962	2,108,367	2,571,809
	5,071,929	**5,022,519**	**3,497,401**	**3,765,771**

29.1 Non current

	Group		Company	
Site restoration cost	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
At 1 January	2,103,557	1,510,577	1,193,962	817,124
Provision made during the year	629,029	678,230	140,795	351,983
Utilised	(189,100)	(225,710)	(33,038)	(50,704)
Unwinding of discount (Note12(12.2)	174,976	140,460	87,315	75,559
At 31 December	**2,718,462**	**2,103,557**	**1,389,034**	**1,193,962**

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 the entities within the Group was 11.35% (2021: 10%) and 14.16% (2020: 12.8%) respectively.

29.2 Current

Group	Productivity bonus N'000	Total N'000
At 1 January 2021	2,644,965	2,644,965
Provision made during the year	1,741,973	1,741,973
Payment in the year	(1,467,976)	(1,467,976)
At 31 December 2021	2,918,962	2,918,962
At 1 January 2022	2,918,962	2,918,962
Provision made during the year	1,373,888	1,373,888
Payment in the year	(1,939,384)	(1,939,384)
At 31 December 2022	**2,353,466**	**2,353,466**

Company	Productivity bonus N'000	Total N'000
At 1 January 2021	2,405,497	2,405,497
Provision made during the year	1,449,032	1,449,032
Payment in the year	(1,282,720)	(1,282,720)
At 31 December 2021	2,571,809	2,571,809
At 1 January 2022	2,571,809	2,571,809
Provision made during the year	1,235,014	1,235,014
Payment in the year	(1,698,456)	(1,698,456)
At 31 December 2022	**2,108,367**	**2,108,367**

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

30 Deferred income

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Non-current	1,094,611	1,356,534	1,012,843	1,123,575
Current	261,924	326,474	110,732	110,732
	1,356,535	**1,683,008**	**1,123,575**	**1,234,307**

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Opening balance	1,683,008	2,064,654	1,234,307	1,345,039
Grant released to profit or loss (Note 10.1)	(326,473)	(381,646)	(110,732)	(110,732)
Closing balance	**1,356,535**	**1,683,008**	**1,123,575**	**1,234,307**

The deferred income is as a result of the benefit received from a below-market-interest rate government loan (CBN/BOI Intervention Fund loans) disclosed in Note 28.1. The revenue is recognised in profit or loss over the useful life of the asset financed with the loan.

31 Employee benefit obligations

Defined contribution plan – Pension

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

Defined benefits plan - Gratuity

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

The plans represents an "In-house" gratuity for employees above 50 years of age and service of above 10 years. The retirement age is 60 years and no other post-retirement benefits are provided to these employees. This is a non-funded benefit scheme as the obligation is paid as and when due. The ''in house'' gratuity will be paid to qualifying staff when the two conditions are fully met. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2022 by Deloitte & Touche Nigeria (Mark Shimmons, FRC/2015/NAS/00000011729). The present value of the defined benefit obligation were measured using the Projected Unit Credit Method.

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

	Group		Company	
31.1 Non current	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Employee long service award scheme (Note 31.2)	2,156,414	1,822,894	1,788,291	1,479,244
Staff gratuities (Note 31.3)	254,435	342,698	254,435	342,698
	2,410,849	**2,165,592**	**2,042,726**	**1,821,942**

31.2 Employee long service award scheme

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Opening balance	1,822,894	1,719,115	1,479,244	1,443,609
Service cost	166,816	186,406	146,281	163,537
Interest cost (Note12.2)	237,636	122,262	198,175	102,680
Total amount recognised in profit or loss	**404,452**	**308,668**	**344,456**	**266,217**
Remeasurements:				
Plan amendment	-	-	39,880	(32,017)
(Gain)/loss from change in assumptions	(118,282)	(242,845)	(103,118)	(207,014)
Experience adjustment gains/(loss)	193,904	131,296	163,173	83,337
Total amount recognised in profit or loss	75,622	(111,549)	99,935	(155,694)
Benefits paid	(146,554)	(93,340)	(135,344)	(74,888)
Closing balance	**2,156,414**	**1,822,894**	**1,788,291**	**1,479,244**

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 2022	31 Dec 2021
Discount rate- per annum (p.a)	13.6%	13.0%
Inflation rate	11.5%	12.0%
Salary inflation (p.a)	12.0%	12.0%
Benefit escalation rate	6.0%	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 2022 N'000	31 Dec 2021 N'000
Base	1,788,291	1,479,244
Discount rate		
0.5% increase	1,729,030	1,429,982
0.5% decrease	1,850,987	1,531,371
Salary increase rate		
0.5% increase	1,834,362	1,530,568
0.5% decrease	1,744,264	1,430,402
Benefit escalation rate		
0.5% increase	1,806,558	1,483,958
0.5% decrease	1,771,069	1,474,750
Mortality experience		
Age rated up by 1 year	1,797,377	1,473,048
Age rated down by 1 year	1,777,919	1,484,838

Sensitivity analysis for the Group

	31 Dec 2022 N'000	31 Dec 2021 N'000
Base	2,156,413	1,822,894
Discount rate		
0.5% increase	2,088,145	1,764,847
0.5% decrease	2,228,606	1,884,252
Salary increase rate		
0.5% increase	2,208,493	1,882,833
0.5% decrease	2,106,612	1,765,798
Benefit escalation rate		
0.5% increase	2,178,489	1,829,118
0.5% decrease	2,135,590	1,816,945
Mortality experience		
Age rated up by 1 year	2,166,919	1,815,340
Age rated down by 1 year	2,144,346	1,829,717

The weighted average liability duration for the Plan is 6.01 years. The average weighted duration of the longest Nigerian Government bond as at 31st December 2021 was 6.09 years with a gross redemption yield of 12.9%. We have adopted a discount rate of 12.8% for the current year.

31.3 Staff gratuities

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

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Opening balance	342,698	565,573	342,698	565,573
Service cost	-	-	-	-
Interest cost	35,543	29,400	35,543	29,400
Plan amendment	(20,246)	-	(20,246)	-
Total amount recognised in profit or loss	15,297	29,400	15,297	29,400
Remeasurement:				
(Gain) due to financial assumptions	(6,693)	(83,590)	(6,693)	(83,590)
(Gain) due to demographic assumption	(4)	-	(4)	-
(Gain) due to experience	4,312	(87,274)	4,312	(87,274)
Total amount recognised in other comprehensive income	(2,385)	(170,864)	(2,385)	(170,864)
Benefits paid (Note 34.1.6)	(101,175)	(81,411)	(101,175)	(81,411)
Closing balance	**254,435**	**342,698**	**254,435**	**342,698**

Below are key assumptions for Nigerian entities:

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

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

ii) Withdrawal from Service

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

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

Sensitivity analysis for the Group and Company

	31 Dec 2022 N'000	31 Dec 2021 N'000
Base	254,435	342,698
Discount rate:		
0.5% increase	250,555	337,160
0.5% decrease	258,433	348,418
Mortality experience:		
Age rated up by 1 year	254,606	342,174
Age rated down by 1 year	254,250	343,166

The company has applied the discount rate of 13.73% per annum as at 31st December 2022 (2021: 12.01%)

32 Trade and other payables

Trade payables	Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Trade payables	26,798,891	17,817,698	23,702,343	15,990,324
	26,798,891	**17,817,698**	**23,702,343**	**15,990,324**
Other payables:				
Related party - technical service fee (Note 32.1, 37.4)	5,229,017	4,298,825	4,811,001	4,298,825
Related companies (Note 37.5)	10,022,761	3,882,324	30,011,223	22,893,620
Withholding tax payable	2,382,573	1,455,980	2,382,573	1,469,805
Value added tax payable	999,360	466,345	860,364	466,179
Accruals (Note 32.2)	5,291,210	7,873,451	3,011,069	7,192,865
Other liabilities (Note 32.5)	15,000,537	10,520,709	11,023,248	6,890,165
Dividend payable (Note 32.3)	15,073,151	13,500,412	15,073,151	13,500,412
	53,998,609	**41,998,046**	**67,172,629**	**56,711,871**
	80,797,500	**59,815,744**	**90,874,972**	**72,702,195**

32.1 LafargeHolcim Technical service fees

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

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

32.2 Accruals

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Freight/ logistics	181.365	28,678	181.365	28,678
Capital expenses	-	19,001	-	-
Quarry/landed cost	23,032	36,199	-	-
Plant accruals	2.601.778	6,300,006	2.292.688	6,148,547
Power	1.948.019	274,728	-	1,527
Employee related accrual	537.016	224,442	537.016	139,575
Others	-	940,397	-	874,538
	5,291,210	**7,873,451**	**3,011,069**	**7,192,865**

32.3 Dividend Payable

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
At 1 January	13,500,412	8,594,829	13,500,412	8,594,829
Dividend declared	16,107,796	32,215,591	16,107,796	32,215,591
Payment to the equity holders of the parent	(14,535,057)	(27,310,008)	(14,535,057)	(27,310,008)
At 31 December	**15,073,151**	**13,500,412**	**15,073,151**	**13,500,412**

The outstanding dividend payable as at December 31, 2022 was N15.07 billion (2021: N13.5 billion).

32.4 Dividend paid

The following dividend was paid during the year:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Caricement B.V	7,454,627	14,758,199	7,454,627	14,758,199
Associated International Cement Ltd	4,473,045	7,337,039	4,473,045	7,337,039
Other equity holders	2,607,385	5,214,770	2,607,385	5,214,770
Total	**14,535,057**	**27,310,008**	**14,535,057**	**27,310,008**

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

33 Contract liabilities

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Contract liabilities**	**46,019,970**	**43,361,653**	**40,410,912**	**36,414,142**

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

34 Additional cash flow information

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
34.1 Working capital adjustments:				
(Increase) in inventories (Note 34.1.1)	(9,597,784)	(13,955,936)	(6,767,703)	(14,188,284)
Decrease / (increase) in trade and other receivables (Note 34.1.2)	411,760	(2,193,445)	(11,179,832)	(6,145,830)
(Increase) in other assets (Note 34.1.3)	(28,503,447)	(10,415,465)	(27,060,525)	(10,577,766)
Decrease / (increase) in other financial assets (Note 34.1.4)	19,014,529	(18,970,791)	18,961,576	(18,913,515)
Increase in trade and other payables (Note 34.1.5)	17,415,510	(198,838)	15,028,332	8,427,252
Increase in contract liabilities	2,658,317	20,626,473	3,996,770	19,166,948
	1,398,885	**(25,108,002)**	**(7,021,382)**	**(22,231,195)**

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

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Movement in inventories	(8,032,946)	(13,957,531)	(5,239,711)	(14,189,879)
Reclassification to Property, plant and equipment	(1,564,838)	1,595	(1,527,992)	1,595
Movement as per the Statement of Cashflows	**(9,597,784)**	**(13,955,936)**	**(6,767,703)**	**(14,188,284)**

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

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Movement in trade and other receivables	842,929	(2,167,842)	(10,772,696)	(6,121,369)
Reclassification of Impairment loss on trade receivables (Note 21.3)	(431,169)	(25,603)	(407,136)	(24,461)
Movement as per the Statement of Cashflows	**411,760**	**(2,193,445)**	**(11,179,832)**	**(6,145,830)**

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

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Movement in other assets	(28,503,447)	(9,767,044)	(27,060,525)	(9,929,345)
Reclassification of prepayments for construction expenditure (Note 15)	-	(648,421)	-	(648,421)
Movement as per the Statement of Cashflows	**(28,503,447)**	**(10,415,465)**	**(27,060,525)**	**(10,577,766)**

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

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Movement in other financial assets	19,014,529	(16,339,301)	18,961,576	(16,282,025)
Reclassication of long term financial receivables from joint venture	-	(2,631,490)	-	(2,631,490)
Movement as per the Statement of Cashflows	**19,014,529**	**(18,970,791)**	**18,961,576**	**(18,913,515)**

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

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Movement in trade and other payables	20,981,756	5,693,150	18,172,777	13,510,940
Reclassification of dividend payable (Note 32.3)	(1,572,739)	(4,905,583)	(1,572,739)	(4,905,583)
Accruals on Property plant and Equipment (Note 15.1)	(1,993,507)	(986,405)	(1,571,706)	(178,105)
Movement as per the Statement of Cashflows	**17,415,510**	**(198,838)**	**15,028,332**	**8,427,252**

34.1.6 Provisions and net movement on employee benefit

	Group 31 Dec 2022 N'000	31 Dec 2021 N'000	Company 31 Dec 2022 N'000	31 Dec 2021 N'000
Retirement benefit obligations - Plan amendment/curtailment (Note 31.3)	(20,246)	-	(20,246)	-
Employee Long Service Award - service cost (Note 31.2)	166,816	186,406	146,281	163,537
Productivity bonus payment (Note 29.2)	(1,939,384)	(1,467,976)	(1,698,456)	(1,282,720)
Staff gratuity benefits paid (Note 31.3)	(101,175)	(81,411)	(101,175)	(81,411)
Employee Long service award benefits paid (Note 31.2)	(146,554)	(93,340)	(135,344)	(74,888)
Remeasurement (gains) / losses – Long service awards (Note 29.2)	75,622	(111,549)	99,935	(123,677)
Provision for productivity bonus for the year	1,373,888	1,741,973	1,235,014	1,449,033
	(591,033)	**174,103**	**(473,991)**	**49,874**

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

	Group 31 Dec 2022 N'000	31 Dec 2021 N'000	Company 31 Dec 2022 N'000	31 Dec 2021 N'000
Proceeds from sale of property, plant and equipment- (cash)	68,869	15,647	68,868	15,647
Proceeds from sale of property, plant and equipment- (non cash)	127,695	126,070	127,695	126,070
Net book value of property, plant and equipment disposed	(171,967)	(51,975)	(171,966)	(51,975)
Gain on sale of property, plant and equipment (Note 10)	**24,597**	**89,742**	**24,597**	**89,742**

34.3 Other non cash items

	Group 31 Dec 2022 N'000	31 Dec 2021 N'000	Company 31 Dec 2022 N'000	31 Dec 2021 N'000
Gain on sale of property plant and equipment (Note 10)	(24,597)	(89,742)	(24,597)	(89,742)
Impairment loss on trade and other receivables (Note 22.3)	431,169	25,603	407,136	24,461
Movement in site restoration cost	439,928	452,520	107,757	301,279
Gain on disposal of investment in joint venture (Note 10)	-	(133,922)	-	(133,922)
Government grants (Note 10)	(326,473)	(381,646)	(110,732)	(110,732)
	520,027	**(127,187)**	**379,564**	**(8,656)**

35 Commitments for expenditure

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

	Group 31 Dec 2022 N'000	31 Dec 2021 N'000	Company 31 Dec 2022 N'000	31 Dec 2021 N'000
Capital expenditure commitments				
Approved and contracted for	6,174,496	4,960,805	6,174,496	4,960,805
	6,174,496	**4,960,805**	**6,174,496**	**4,960,805**

Operating expenditure commitments				
Commitments for the supply of gas (Note 35.1)	214,299,398	160,351,137	214,299,398	160,351,137
Commitments for the supply of power (Note 35.2)	7,196,962	9,253,083	7,196,962	9,253,083
Guarantee for gas commitment (Mfamosing project)	1,654,596	1,654,596	1,654,596	1,654,596
Guarantee for power services	-	654,395	-	654,395
Guarantee for truck financing	1,617,567	16,676,847	1,617,567	16,676,847
	224,768,523	**188,590,058**	**224,768,523**	**188,590,058**

35.1 This represents the total commitments with respect to termination payment clause on gas contracts. This amount is made up of ₦62.7 billion relating to gas supply contract with a vendor for the supply of gas to Mfamosing Plant, ₦148.5 billion relating to another gas supply contract with a vendor for the supply of gas to Ewekoro and Shagamu Plants.

35.2 Commitments for the supply of power represents the fixed cost commitment on a monthly basis for the supply of power to the Ewekoro and Mfamosing plant for period of ten years from the effective date of the contract (₦3.9 billion). Also included is the additional fixed cost committment for the supply of power to Ewekoro plant for the period of five years (₦3.2 billion).

36 Contingent liabilities

	Group		Company	
	31 Dec 2022 N'000	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Lafarge Africa Plc				
Various litigations and claims (Note 36.1)	3,134,417	3,445,842	3,134,417	3,445,842
Letters of credit (Note 36.2)	20,550,258	13,262,483	19,757,093	13,262,483
Pension audit	2,100,442	1,700,797	2,100,442	1,700,797
	25,785,117	**18,409,122**	**24,991,952**	**18,409,122**

36.1 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 ₦3.1 billion (2021: ₦3.4 billion), amongst other claims for the Group and Company respectively.
The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Thus the possible obligation has not been provided for in the financial statements.

36.2 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 Related party transactions

37.1 Ultimate parent entity

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

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

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

37.2 Subsidiaries

Subsidiaries are set out in Note 17.1.

37.3 Transactions with related parties

The following transactions occurred with related parties during the year:

	Group		Company	
Sales of goods and services	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
	N'000	**N'000**	**N'000**	**N'000**
AshakaCem Limited	-	-	1,223,198	2,094,694
Total transaction value	**-**	**-**	**1,223,198**	**2,094,694**

Purchase of goods and services	**Group**		**Company**	
	31 Dec 2022	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
	N'000	**N'000**	**N'000**	**N'000**
Lafarge Holcim Trading	3,292,117	8,223,888	3,292,117	8,223,888
Total transaction value	**3,292,117**	**8,223,888**	**3,292,117**	**8,223,888**

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

		Group		**Company**	
	Nature of transaction	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Others					
AshakaCem Limited	Recharges	-	-	16,703,368	6,140,681
Holcim Group Services Ltd	Services Related	23,945	-	23,945	-
Holcim Ltd	IT Services	957,042		957,042	
Lafarge Cement Technical Center Vienna GmbH	Services Related	5,628	-	5,628	-
Holcim Trading S.A.	Fuel	103,118	112,107	103,118	112,107
Lafarge Cement Egypt S.A.E.	Employee Related	-	275,756		265,898

Others (Cont'd)	Nature of transaction	Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Holcim Technology Ltd	Technical Fees	2,112,530	2,883,862	2,112,530	2,883,862
Holcim (Maroc) S.A.	Fuel	-	13,695		13,695
Lafarge Intern Serv Singapore	Employee Related	1,563,443	691,662	1,290,847	618,193
Lafargeholcim España, S.A.U.	Payroll and other personnel recharges	-	818,689		818,689
LafargeHolcim Investment Ltd	Payroll and other personnel recharges	23,039	5,692	23,039	5,692
Total transaction value		**4,788,745**	**4,801,463**	**21,219,517**	**10,858,817**

37.4 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 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Trade receivables:				
AshakaCem Limited	-	-	1,223,198	4,804,757
	-	**-**	**1,223,198**	**4,804,757**
Technical fees:				
Lafarge S.A Paris	418,016	418,016	418,016	418,016
Holcim Technology Ltd	4,811,001	3,880,809	4,392,985	3,880,809
	5,229,017	**4,298,825**	**4,811,001**	**4,298,825**

The sale of goods to/from related parties was carried out on commercial terms and conditions.Hence, the Directors are of the opinion that there is no conflict of interests. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

37.5 Other receivables from and payables to related parties

Other receivables			Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
AshakaCem Limited	Subsidiary	Back end expenses and System, application & support cost	-	-	36,130,237	20,650,067
Lafarge S.A.	Fellow subsidiary	Back end expenses.	124,596	100,909	93,623	72,381
LafargeHolcim Energy Solutions	Fellow subsidiary	Back end expenses.		-		-
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.		-		-
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	556,181	329,152	538,424	329,152
Holcim Technology Ltd	Fellow subsidiary	Back end expenses.		8,680		-
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.	47,487	39,206	47,487	39,206
			728,264	**477,947**	**36,809,771**	**21,090,806**

Other payables			Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Lafarge S.A	Fellow subsidiary	Back end expenses.	254,110	12,705	254,110	12,705
Holcim technology limited	Fellow subsidiary	Back end expenses.	4,484,023	698,742	4,664,103	572,162
AshakaCem Limited	Subsidiary	Back end expenses.		-	20,657,509	19,518,325
Holcim Group Services Ltd	Fellow subsidiary	Back end expenses.	-	12,142	-	-
Lafarge MEA Building Materials S.A.E	Fellow subsidiary	Back end expenses.	504,133	345,778	489,400	332,703
Holcim Trading S.A.	Fellow subsidiary	Back end expenses.	2,656,641	-	2,656,641	-
Technical Center Europe-Africa	Fellow subsidiary	Back end expenses.		8,815		8,815
LafargeHolcim Middle East & Africa IT Service Center	Fellow subsidiary	Back end expenses.		1,081,200		1,081,200
Lafarge International Services Singapore Pte Ltd	Fellow subsidiary	Back end expenses.	1,310,221	669,955	842,959	487,849
Lafarge Industries South Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.		-		-
Holcim España, S.A.U.	Fellow subsidiary	Back end expenses.	48,560	21,891	48,560	21,891

Other payables (contd)			Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Lafargeholcim Building Materials (China) Co., Ltd	Fellow subsidiary	Back end expenses.	-	7,586	-	-
LH Trading Ltd	Fellow subsidiary	Back end expenses.	-	634,278	-	634,278
Lafargeholcim Maroc	Fellow subsidiary	Back end expenses.	105,565	48,074	105,565	48,074
Lafarge Cement Technical Center Vienna Gmbh	Fellow subsidiary	Back end expenses.	11,228	2,382	11,228	2,382
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	258,008	170,452	256,649	169,788
Lafarge A&C Technical Service (Beijing) Co Ltd	Fellow subsidiary	Back end expenses.	13,651	-	-	-
(Asia Technical Center)	Fellow subsidiary	Back end expenses.	251,171	115,589	-	-
LafargeHolcim Investment Ltd	Fellow subsidiary	Back end expenses.	125,450	52,735	24,499	3,448
Wapsila Nigeria Limited	Fellow subsidiary	Investment	-	-	-	-
			10,022,761	**3,882,324**	**30,011,223**	**22,893,620**

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

37.6 Loans from related parties

	Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
AshakaCem Limited	-	-	999,203	894,702
	-	**-**	**999,203**	**894,702**

37.7 Key management personnel compensation

	Group 31 Dec 2022 N'000	Group 31 Dec 2021 N'000	Company 31 Dec 2022 N'000	Company 31 Dec 2021 N'000
Key management personnel				
Salaries and other short term employee benefits	1,732,049	1,452,250	1,732,049	1,452,250
Post-employment benefits	100,530	90,468	100,530	90,468
Total	**1,832,579**	**1,542,718**	**1,832,579**	**1,542,718**

38 Directors and employees

Directors

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Directors' emolument comprises:				
Salaries/fees	639,762	418,431	639,762	418,431
Sitting allowance and other benefits	216,357	159,576	216,357	159,576
	856,119	**578,007**	**856,119**	**578,007**

Fees and other emoluments disclosed above include amounts paid to:

	Salaries/Fees		Sitting		Other benefits		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Executive Director								
Khaled Abdel Aziz El Dokani	452,442	288,613	-	-	181,194	102,815	633,636	391,428
Lolu Alade-Akinyemi	145,320	95,818	-	-	10,091	9,091	155,411	104,909
Non- Executive Directors								-
Adebode Adefioye	10,000	10,000	3,600	11,604	-	-	13,600	21,604
Adenike Ogunlesi	8,000	8,000	4,008	7,222	-	-	12,008	15,222
Elenda Giwa- Amu	8,000	-	5,688	12,640	-	-	13,688	12,640
Karine Uzan Mercie	-	-	-	-	-	-	-	-
Marco Licata	-	-	-	-	-	-	-	-
Grant Earnshaw	-	-	-	-	-	-	-	-
Gbenga Oyebode MFR	8,000	8,000	5,288	8,844	-	-	13,288	16,844
Oyinkan Adewale FCA	8,000	8,000	6,488	7,360	-	-	14,488	15,360
	639,762	**418,431**	**25,072**	**47,670**	**191,285**	**111,906**	**856,119**	**578,007**

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

Employees

The average number of employees employed during the year was:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Managerial staff	1,056	1,066	894	895
Senior staff	112	109	106	102
Junior staff	175	176	72	73
	1,343	1,351	1,072	1,070

The aggregate payroll costs were:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Wages, salaries, allowances and other benefits	22,737,659	23,697,739	19,313,569	21,134,236
Pension and social benefits	1,159,325	1,334,693	1,004,615	1,144,046
Staff training	354,906	365,329	350,437	355,796
	24,251,890	25,397,761	20,668,621	22,634,078

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

	Group		Company	
	31 Dec 2022 Number	31 Dec 2021 Number	31 Dec 2022 Number	31 Dec 2021 Number
Range (N)				
Up to 1,000,000	18	19	14	14
1,000,001 - 3,000,000	77	90	53	74
3,000,001 - 5,000,000	370	163	233	71
5,000,001 - 7,000,000	346	373	279	271
7,000,001 - 10,000,000	213	349	190	311
Above 10,000,000	319	357	303	329
	1,343	**1,351**	**1,072**	**1,070**

39 Events after the reporting period

There are no events which could have had a material effect on the financial position of the Group and Company as at 31 December 2022 and Group and company financial performance for the year ended that have not been adequately provided for or disclosed in these financial statements.

Other National Disclosures

Lafarge Africa Plc

Consolidated and Separate Statements of Value Added for the year ended 31 December 2022

Group	31 Dec 2022 N'000	%	31 Dec 2021 N'000	%
Revenue	373,244,938	354	293,086,183	256
Bought in materials and services				
Local	(289,131,034)	(274)	(171,173,915)	(149)
Imported	19,292,955	18	(9,734,167)	(8)
		-		-
Other income and finance income	2,091,379	2	2,427,345	1
Value added	105,498,238	100	114,605,446	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	24,251,890	23	25,397,761	22
To pay providers of capital:				
Interest on borrowings	766,862	1	3,763,760	3
To pay government:				
Income tax expense	2,047,779	2	3,008,585	3
Retained in the business				
To maintain and replace:				
Depreciation of property, plant and equipment	24,784,252	24	31,431,791	27
Intangible assets	-	-	-	-
To augument reserves	53,647,456	51	51,003,549	45
Value added	105,498,238	100	114,605,446	100

Company	31 Dec 2022 N'000	%	31 Dec 2021 N'000	%
Revenue	340,633,999	340	262,299,071	239
Bought in materials and services				
Local	(220,964,735)	(221)	(145,818,794)	(133)
Imported	(21,341,468)	(21)	(8,920,280)	(8)
Other income and finance income	1,790,747	2	2,315,357	2
Value added	100,118,543	100	109,875,354	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	20,668,621	21	22,634,078	21
To pay providers of capital:				
Interest on borrowings	512,033	1	3,380,277	3
To pay government:				
Income tax expense	1,981,209	2	1,666,450	2
Retained in the business				
To maintain and replace:				
Depreciation of plant, property and equipment	21,924,221	21	28,738,637	26
To augument reserves	55,032,460	55	53,455,912	49
Value added	100,118,543	100	109,875,354	100

Group

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Financial position					
Capital employed:					
Ordinary share capital	8,053,899	8,053,899	8,053,899	8,053,899	4,336,715
Share premium	435,148,731	435,148,731	435,148,731	435,148,731	350,945,748
Retained earnings	227,028,432	189,487,103	170,579,540	155,801,325	138,272,355
Foreign currency translation reserve	-	-	(14,611)	39,103	9,364,261
Other reserves on business combination and re-organisation	(254,129,057)	(254,129,056)	(254,129,057)	(254,129,057)	(368,683,312)
Non-controlling interest	-	-	-	-	305,322
Total equity	416,102,005	378,560,677	359,638,502	344,914,001	134,541,089
Represented by:					
Property, plant & equipment	341,458,500	338,721,748	348,328,150	369,797,229	394,488,764
Intangible assets	91,182	713,746	1,939,210	3,202,068	6,194,518
Investment in joint ventures	-	-	379,432	-	-
Other financial assets	-	-	964,796	767,253	1,301,148
Other assets	60,851,702	35,535,403	29,127,048	20,345,783	16,671,760
Deferred tax assets	2,031,419	15,292,417	23,404,073	27,994,154	28,720,032
Net current assets/(liabilities)	27,895,840	5,521,795	(24,484,811)	(9,366,049)	(119,289,276)
	432,328,643	395,785,109	379,657,898	412,740,438	328,086,946
Borrowings	(1,530,387)	(2,482,049)	(5,139,600)	(52,664,863)	(172,373,209)
Deferred tax liabilities	(8,472,328)	(9,116,700)	(9,401,523)	(9,966,699)	(10,200,112)
Provisions	(2,718,463)	(2,103,557)	(1,510,577)	(1,011,285)	(3,645,751)
Deferred revenue	(1,094,611)	(1,356,534)	(1,683,008)	(2,307,466)	(2,597,602)
Employee benefits obligation	(2,410,849)	(2,165,592)	(2,284,688)	(1,876,124)	(4,729,183)
Net assets	416,102,005	378,560,677	359,638,502	344,914,001	134,541,089
Net assets per share (Kobo)	2,583	2,350	2,233	1,551	2,816

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

Financial result	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Revenue	373,244,938	293,086,183	230,572,922	212,999,066	308,425,456
Profit/(loss) before minimum tax	69,744,701	62,254,478	37,572,131	17,892,285	(19,508,228)
Profit/(loss) for the year	53,647,456	51,003,549	30,842,138	15,517,786	(8,801,726)
Dividend proposed	32,215,591	32,215,591	16,107,796	16,107,796	-
Per share data (Kobo)					
Earnings - Basic (continuing operations)	333	317	191	96	(105)
Earnings - Basic (continuing & discontinued operations)	333	317	191	715	-
Dividend proposed (kobo)	200	200	100	100	-
Dividend cover (times)	1.67	1.58	1.91	0.96	-
Net assets per share (Kobo)	2,583	2,350	2,233	2,141	1,551

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

Lafarge Africa Plc

Five year Financial Summary for the year ended 31 December 2022

Company

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Financial position					
Capital employed:					
Ordinary share capital	8,053,899	8,053,899	8,053,899	8,053,899	4,336,715
Share premium	435,148,731	435,148,731	435,148,731	435,148,731	350,945,748
Retained earnings	184,751,152	145,824,819	124,464,893	111,857,805	92,140,223
Foreign currency translation reserve	-	-	(14,611)	39,103	39,103
Other reserves on business combination and re-organisation	(193,677,979)	(193,677,979)	(193,677,979)	(193,677,979)	(191,718,064)
Total equity	434,275,803	395,349,470	373,974,933	361,421,559	255,743,725
Represented by:					
Property, plant & equipment	276,696,636	273,704,651	287,447,215	308,650,770	291,775,732
Intangible assets	91,181	578,322	1,524,264	2,506,810	3,204,505
Investments in subsidiaries	63,906,867	63,906,867	63,906,867	63,906,867	178,923,532
Investment in joint venture	-	-	379,432	-	-
Other financial assets	-	-	964,796	767,253	1,134,509
Other assets	57,167,949	32,699,442	28,657,973	18,772,032	15,073,457
Deferred tax assets	2,031,419	15,292,417	23,404,073	27,994,154	27,950,907
Net current assets/(liabilities)	39,356,202	14,016,327	(25,474,680)	(11,732,271)	(114,241,023)
	439,250,254	400,198,026	380,809,940	410,865,615	403,821,619
Borrowings	(529,850)	(709,077)	(2,774,394)	(45,899,963)	(144,391,743)
Provisions	(1,389,034)	(1,193,962)	(817,124)	(547,403)	(618,970)
Deferred revenue	(1,012,843)	(1,123,575)	(1,234,307)	(1,345,039)	(1,455,770)
Employee benefits obligation	(2,042,726)	(1,821,942)	(2,009,182)	(1,651,651)	(1,611,411)
Net assets	434,275,803	395,349,470	373,974,933	361,421,559	255,743,725
Net assets per share (Kobo)	2,696	2,454	2,322	4,488	2,949

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

Financial result	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Revenue	340,633,999	262,299,071	202,530,359	188,407,004	187,043,475
Profit/(loss) before minimum tax	71,537,203	63,649,528	34,319,046	24,318,017	(7,408,583)
Profit/(loss) for the year	55,032,460	53,455,912	28,714,884	22,721,616	4,141,764
Dividend proposed	32,215,591	32,215,591	16,107,796	16,107,796	-
Per share data (Kobo)					
Earnings - Basic (continuing & discontinued operations)	342	332	178	141	48
Earnings - Basic (discontinued operations)	342	333	178	141	
Dividend proposed (kobo)	200	200	100	100	-
Dividend cover (times)	1.71	1.66	1.78	1	-
Net assets per share (Kobo)	2,696	2,454	2,322	2,244	2,949

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.