

Lafarge Africa Plc
Unaudited Financial Statements
30 September 2019

Lafarge Africa Plc

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Lafarge Africa Plc

Directors' and Other Corporate Information

Company registration number

RC 1858

Directors

Mr. Mobolaji Balogun
Mr. Michel Puchercos
Mrs. Elenda Giwa-Amu
Mrs. Adenike Ogunlesi
Mr. Christof Hassig
Mr. Grant Earnshaw
Mr. Rossen Papazov
Mr. Jean-Philippe Benard
Ms. Karine Uzan Mercie
Mr. Adebode Adefioye
Mr. Marco Licata

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

Company secretary

Mrs. Adewunmi Alode

Company Registered office

Lafarge Africa Plc
No 27B, Gerrard Road,
Ikoyi,
Lagos

Registrar

Cardinal Stone (Registrars) Limited
[formerly City Securities (Registrars) Limited]
No 358, Herbert Macaulay Road,
Yaba,
Lagos

Independent auditors

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

Principal bankers

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

Lafarge Africa Plc

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the period ended 30th Sept 2019

| | Notes | ** Group | | | | | | Company | | |
|---|-------|--------------------|--------------------|-------------------|---------------------|-------------------|--------------------|-------------------|--------------------|--|
| | | 3months ended | 3months ended | 9 months ended | 9 months ended | 3months ended | 3months ended | 9 months ended | 9 months ended | |
| | | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | |
| Continuing operations | | | | | | | | | | |
| Revenue | 6 | 45,171,777 | 72,008,596 | 163,057,020 | 234,300,122 | 39,308,592 | 42,307,207 | 140,888,245 | 142,756,931 | |
| Cost of sales | 7 | (33,360,571) | (54,875,664) | (111,785,243) | (178,205,218) | (26,999,400) | (27,879,268) | (90,685,232) | (90,215,957) | |
| Gross profit | | 11,811,206 | 17,132,932 | 51,271,777 | 56,094,904 | 12,309,192 | 14,427,939 | 50,203,013 | 52,540,974 | |
| Selling and marketing expenses | 8 | (1,809,268) | (1,684,923) | (3,189,009) | (4,454,909) | (1,368,528) | (631,038) | (3,097,667) | (1,298,934) | |
| Administrative expenses | 9 | (2,699,698) | (12,670,112) | (13,086,178) | (32,626,415) | (3,008,646) | (8,024,383) | (12,622,024) | (21,498,436) | |
| Other income | 10 | 443,196 | (6,641) | 482,189 | 99,997 | 214,198 | (9,625) | 8,195,496 | 86,669 | |
| Impairment write back /(loss) on trade and other receivables | 11 | 235 | 23,810 | 59,660 | 18,268 | 4,281 | (1,232) | 61,603 | (5,252) | |
| Operating profit | | 7,745,671 | 2,795,066 | 35,538,439 | 19,131,845 | 8,150,497 | 5,761,661 | 42,740,421 | 29,825,021 | |
| Finance income | 12 | 188,978 | 413,100 | 1,178,630 | 1,446,622 | 166,856 | 336,556 | 934,310 | 1,221,957 | |
| Finance costs | 12 | (3,248,681) | (11,212,513) | (16,577,889) | (34,928,321) | (3,389,432) | (11,581,552) | (16,944,335) | (33,761,831) | |
| Reversal of impairment loss on investment in subsidiary | | - | - | - | - | 1,094,361 | - | - | - | |
| Loss on disposal of Investment in subsidiary | | - | - | - | - | (839,263) | - | (839,263) | - | |
| Share of loss from joint ventures accounted for using the equity method | | - | (10,824) | - | (10,824) | - | - | - | - | |
| Profit/(Loss) before minimum tax | | 4,685,968 | (8,015,171) | 20,139,180 | (14,360,678) | 5,183,019 | (5,483,335) | 25,891,133 | (2,714,853) | |
| Profit/(Loss) after minimum tax | | 4,685,968 | (8,015,171) | 20,139,180 | (14,360,678) | 5,183,019 | (5,483,335) | 25,891,133 | (2,714,853) | |
| Income tax credit/(expense) | 13.1 | 48,118 | 1,544,434 | 434,144 | 3,987,654 | (182,707) | 1,473,233 | 954,878 | 795,632 | |
| Profit/(Loss) after tax from continuing operation | | 4,734,086 | (6,470,737) | 20,573,324 | (10,373,024) | 5,000,312 | (4,010,102) | 26,846,011 | (1,919,221) | |
| Discontinued operation | | | | | | | | | | |
| Post-tax operating loss of discontinued operation | 16.4 | (106,379) | - | (6,936,729) | - | - | - | - | - | |
| Gain on disposal of discontinued operation | 16 | 106,523,296 | - | 106,523,296 | - | - | - | - | - | |
| Loss after tax from discontinued operation | | 106,416,916 | - | 99,586,566 | - | - | - | - | - | |

Lafarge Africa Plc

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the period ended 30th Sept 2019

| Notes | ** Group | | | | Company | | | |
|---|------------------------|------------------------|-------------------------|-------------------------|------------------------|------------------------|-------------------------|-------------------------|
| | 3months ended N'000 | 3months ended N'000 | 9 months ended N'000 | 9 months ended N'000 | 3months ended N'000 | 3months ended N'000 | 9 months ended N'000 | 9 months ended N'000 |
| Other comprehensive income: | | | | | | | | |
| Items that may be reclassified to profit or loss: | | | | | | | | |
| Exchange differences on translation of foreign operations | 24 | 589,094 | 137,150 | - | (507,861) | - | - | - |
| | | 589,094 | 137,150 | - | (507,861) | - | - | - |
| Items that will not be subsequently reclassified into profit or loss: | | | | | | | | |
| Remeasurements of defined benefit obligations | 29.2 | - | 115 | - | (4,451) | - | - | - |
| Income tax relating to these items | | - | (33) | - | 1,249 | - | - | - |
| | | - | 82 | - | (3,202) | - | - | - |
| Other comprehensive income for the year, net of tax | | 589,094 | 137,232 | - | (511,063) | - | - | - |
| Total comprehensive (loss)/income for the period | | 111,740,096 | (6,333,504) | 120,159,890 | (10,884,086) | 5,000,312 | (4,010,102) | 26,846,011 |
| Profit/(Loss) attributable to : | | | | | | | | |
| - Owners | | 111,151,002 | (6,470,737) | 120,159,890 | (10,373,024) | 5,000,312 | (4,010,102) | 26,846,011 |
| - Non-controlling interests | | - | - | - | - | - | - | - |
| | | 111,151,002 | (6,470,737) | 120,159,890 | (10,373,024) | 5,000,312 | (4,010,102) | 26,846,011 |
| Total comprehensive (loss)/income for the year is attributable to: | | | | | | | | |
| - Owners | | 111,740,096 | (6,333,504) | 120,159,890 | (10,884,086) | 5,000,312 | (4,010,102) | 26,846,011 |
| - Non-controlling interests | | - | - | - | - | - | - | - |
| | | 111,740,096 | (6,333,504) | 120,159,890 | (10,884,086) | 5,000,312 | (4,010,102) | 26,846,011 |
| Earnings per share attributable to the ordinary equity holders of the Company: | | | | | | | | |
| Continuing operations & discontinued operation | | | | | | | | |
| Basic earnings per share on (Naira) | | 690 | (75) | 746 | (120) | 31 | (46) | 167 |
| Continuing operations | | | | | | | | |
| Basic earnings per share on (Naira) | | 29 | (75) | 128 | (120) | 31 | (46) | 167 |

**The group numbers for 2019 Q3 and YTD has been presented in line with IFRS 5 (Non current assets held for sale and discontinued operations).i.e post tax operating loss and group gain on disposal of discontinued operation has been shown as a separate line on the statement of profit or loss.

The accompanying notes and significant accounting policies on pages 10 to 33 form an integral part of these financial statements.

Lafarge Africa Plc

Consolidated and Separate Statements of Financial Position as at 30 Sept 2019

| Notes | Group | | Company | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | ***30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 | |
| | N'000 | N'000 | N'000 | N'000 | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 14 | 365,236,408 | 394,488,764 | 302,807,463 | 291,775,732 |
| Intangible assets | 15 | 3,159,549 | 6,194,518 | 3,138,404 | 3,204,505 |
| Investment in subsidiaries | | - | - | 63,946,867 | 178,923,532 |
| Other financial assets | 17 | 1,148,247 | 1,301,148 | 1,148,247 | 1,134,509 |
| Other assets | 19 | 18,977,025 | 16,671,760 | 17,389,010 | 15,073,457 |
| Deferred tax assets | 13.6 | 30,148,702 | 28,720,032 | 29,216,769 | 27,950,907 |
| Total non-current assets | | 418,669,931 | 447,376,222 | 417,646,760 | 518,062,642 |
| Current assets | | | | | |
| Inventories | 20 | 41,868,762 | 47,156,521 | 35,025,643 | 28,921,467 |
| Trade and other receivables | 21 | 5,970,968 | 21,163,994 | 20,878,141 | 11,167,705 |
| Current tax asset | 13.3 | - | 658,291 | - | - |
| Other assets | 19 | 13,739,238 | 10,594,409 | 12,302,338 | 8,661,903 |
| Other financial assets | 17 | 767,599 | 1,140,956 | 1,465,920 | 605,230 |
| Derivative assets | 18 | - | 95,573 | - | 95,573 |
| Cash and cash equivalents | 22 | 9,744,172 | 12,550,697 | 7,700,601 | 10,177,776 |
| Total current assets | | 72,090,739 | 93,360,441 | 77,372,643 | 59,629,654 |
| Total assets | | 490,760,670 | 540,736,663 | 495,019,403 | 577,692,296 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Loans and borrowings | 26 | 55,625,359 | 172,373,209 | 46,836,744 | 144,391,743 |
| Deferred tax liabilities | 13.6 | 9,510,029 | 10,200,112 | - | - |
| Provisions | 27 | 1,449,659 | 3,645,751 | 921,918 | 618,970 |
| Deferred income | 28 | 2,436,847 | 2,597,602 | 1,372,722 | 1,455,770 |
| Employee benefit obligations | 29 | 2,211,896 | 4,729,183 | 1,885,997 | 1,611,411 |
| Total non-current liabilities | | 71,233,790 | 193,545,857 | 51,017,381 | 148,077,894 |
| Current liabilities | | | | | |
| Trade and other payables | 30 | 56,391,242 | 80,537,817 | 61,587,723 | 49,921,179 |
| Loans and borrowings | 26 | 8,950,590 | 93,833,850 | 12,507,754 | 105,685,719 |
| Current tax liabilities | 13.4 | 1,701,373 | 1,156,231 | 512,183 | 201,199 |
| Provisions | 27 | 1,190,409 | 1,281,247 | 1,009,637 | 845,328 |
| Derivative liabilities | 18 | 164,384 | 244,176 | 164,384 | 244,176 |
| Deferred income | 28 | 555,925 | 315,452 | 110,732 | 110,732 |
| Bank overdrafts | 22.1 | 692,039 | 35,280,945 | 692,039 | 16,862,345 |
| Total current liabilities | | 69,645,962 | 212,649,718 | 76,584,452 | 173,870,678 |
| Total liabilities | | 140,879,752 | 406,195,575 | 127,601,833 | 321,948,572 |
| EQUITY | | | | | |
| Share capital | 23.1 | 8,053,899 | 4,336,714 | 8,053,898 | 4,336,714 |
| Share premium | 23.2 | 435,148,730 | 350,945,748 | 435,148,730 | 350,945,748 |
| Retained earnings | | 160,768,243 | 138,272,355 | 115,893,903 | 92,140,223 |
| Foreign currency translation reserve | 24 | 39,103 | 9,364,261 | 39,103 | 39,103 |
| Other reserves arising on business combination and re-organisations | 25 | (254,129,057) | (368,683,312) | (191,718,064) | (191,718,064) |
| Capital and reserves attributable to owners | | 349,880,918 | 134,235,766 | 367,417,570 | 255,743,724 |
| Non-controlling interests | | - | 305,322 | - | - |
| Total equity | | 349,880,918 | 134,541,088 | 367,417,570 | 255,743,724 |
| Total equity and liabilities | | 490,760,670 | 540,736,663 | 495,019,403 | 577,692,296 |

**Group numbers as at 30th September 2019 excludes numbers from discontinued operation (Lafarge South Africa Holdings (Pty) Ltd) which have The accompanying notes and significant accounting policies on pages 10 to 33 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the board of directors on 24th October 2019 and were signed on its behalf by:



Mobolaji Balogun
Chairman
FRC/2013/CISN/00000004945



Michel Pucheros
Group Managing Director
FRC/2017/IODN/00000015919



Itie Ovie
Chief Accounting Officer
FRC/2013/ICAN/00000000868

Lafarge Africa Plc

Consolidated and Separate Statements of Changes in Equity for the period ended 30 Sept 2019

| Group | Attributable to equity holders of the parent | | | | | | | | | |
|--|--|------------------------|------------------------|----------------------------|-----------------------------|---|--|--------------------------|------------------------------------|-----------------------|
| | Notes | Share capital N'000 | Share premium N'000 | Retained earnings N'000 | Deposit for shares N'000 | Foreign currency translation reserve N'000 | Other reserves arising on business combination and re-organisations N'000 | Total interests N'000 | Non-controlling interests N'000 | Total equity N'000 |
| Balance at 1 January 2018 | | 2,787,888 | 222,272,108 | 160,257,556 | 130,416,872 | 9,935,643 | (368,683,312) | 156,986,755 | (0) | 156,986,755 |
| (Loss)/profit for the year | | | | (10,373,024) | | | | (10,373,024) | | (10,373,024) |
| Other comprehensive income (Net of tax) | | | | (3,202) | | (507,861) | | (511,063) | | (511,063) |
| Issue of shares | | 1,548,827 | 130,101,427 | | | | | 131,650,255 | | 131,650,255 |
| Dividends paid | | | | (13,010,143) | | | | (13,010,143) | | (13,010,143) |
| Deposit for shares | | | | | (130,416,872) | | | (130,416,872) | | (130,416,872) |
| Right issue costs | | | (1,427,788) | | | | | (1,427,788) | | (1,427,788) |
| Transaction with owners | | 1,548,827 | 128,673,639 | (23,386,369) | (130,416,872) | (507,861) | - | (24,088,636) | - | (24,088,636) |
| Balance at 30 Sept, 2018 | | 4,336,715 | 350,945,747 | 136,871,187 | - | 9,427,782 | (368,683,312) | 132,898,119 | (0) | 132,898,119 |
| Profit from Oct 2018 to Dec 2018 | | - | - | 1,265,976 | - | - | - | 1,265,976 | - | 1,265,976 |
| Other comprehensive income (Net of tax) | | - | - | 135,192 | - | (63,521) | - | 71,671 | 305,322 | 376,993 |
| Total comprehensive income for the period | | - | - | 1,401,168 | - | (63,521) | - | 1,337,647 | 305,322 | 1,642,969 |
| Balance at 31 Dec 2018 | | 4,336,715 | 350,945,747 | 138,272,355 | - | 9,364,261 | (368,683,312) | 134,235,766 | 305,322 | 134,541,088 |
| At 1 January 2019 | | 4,336,715 | 350,945,747 | 138,272,355 | - | 9,364,261 | (368,683,312) | 134,235,766 | 305,322 | 134,541,088 |
| (Loss)/profit for the period | | - | - | 120,159,890 | - | - | - | 120,159,890 | - | 120,159,890 |
| Other comprehensive income (Net of tax) | | - | - | - | - | - | - | - | - | - |
| Effect of change in accounting policy | | | | (3,102,321) | | | | (3,102,321) | | (3,102,321) |
| Total comprehensive income for the period | | - | - | 117,057,569 | - | - | - | 117,057,569 | - | 117,057,569 |
| Transaction with owners: | | | | | | | | | | |
| Issue of shares | 23 | 3,717,184 | 85,495,224 | | | | | 89,212,408 | - | 89,212,408 |
| Reserves released upon disposal of subsidiary company | | - | - | (94,561,681) | - | | 94,561,681 | - | | - |
| Other movement in reserves arising from disposal of discontinued operation | | | | | | (9,325,158) | 19,992,574 | 10,667,416 | (305,322) | 10,362,094 |
| Right issue costs | 23.2 | | (1,292,240) | | - | - | - | (1,292,240) | - | (1,292,240) |
| Total transaction with owners | | 3,717,184 | 84,202,984 | (94,561,681) | - | (9,325,158) | 114,554,255 | 98,587,583 | (305,322) | 98,282,261 |
| Balance at 30 Sept, 2019 | | 8,053,899 | 435,148,730 | 160,768,243 | - | 39,103 | (254,129,057) | 349,880,918 | (0) | 349,880,918 |

The accompanying notes and significant accounting policies on pages 10 to 33 form an integral part of these financial statements.

**Group numbers as at 30th September 2019 excludes numbers from discontinued operation (Lafarge South Africa Holdings (Pty) Ltd) which have been deconsolidated.

Lafarge Africa Plc

Consolidated and Separate Statements of Changes in Equity for the period ended 30 Sept 2019

| Company | Attributable to equity holders of the parent | | | | | | | |
|--|--|------------------------|------------------------|----------------------------|-----------------------------|---|--|-----------------------|
| | Notes | Share capital N'000 | Share premium N'000 | Retained earnings N'000 | Deposit for shares 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 2018 | | 2,787,888 | 222,272,109 | 100,970,988 | 130,416,872 | 39,103 | (191,718,064) | 264,768,895 |
| (Loss)/profit for the year | | - | - | (1,919,221) | - | - | - | (1,919,221) |
| Issue of shares | | 1,548,826 | 130,101,427 | - | - | - | - | 131,650,253 |
| Dividend paid | | - | - | (13,010,143) | - | - | - | (13,010,143) |
| Deposit for shares | | - | - | - | (130,416,872) | - | - | (130,416,872) |
| Right issue costs | | - | (1,427,788) | - | - | - | - | (1,427,788) |
| Transaction with owners | | 1,548,826 | 128,673,639 | (14,929,364) | (130,416,872) | - | - | (15,123,771) |
| Balance at 30 Sept, 2018 | | 4,336,714 | 350,945,747 | 86,041,624 | - | 39,103 | (191,718,064) | 249,645,124 |
| Profit from Oct 2018 to Dec 2018 | | - | - | 6,060,985 | - | - | - | 6,060,985 |
| Other comprehensive income (Net of tax) | | - | - | 37,614 | - | - | - | 37,614 |
| Total comprehensive income for the period | | - | - | 6,098,599 | - | - | - | 6,098,599 |
| Transaction with owners: | | | | | | | | |
| Right issue costs | | - | - | - | - | - | - | - |
| Total transaction with owners | | - | - | - | - | - | - | - |
| Balance at 31 Dec 2018 | | 4,336,714 | 350,945,747 | 92,140,223 | - | 39,103 | (191,718,064) | 255,743,722 |
| At 1 January 2019 | | 4,336,714 | 350,945,747 | 92,140,223 | - | 39,103 | (191,718,064) | 255,743,722 |
| Profit for the period | | - | - | 26,846,011 | - | - | - | 26,846,011 |
| Effect of change in accounting policy | | - | - | (3,092,331) | - | - | - | (3,092,331) |
| Total comprehensive income for the period | | - | - | 23,753,680 | - | - | - | 23,753,680 |
| Transaction with owners: | | | | | | | | |
| Issue of shares | 23 | 3,717,184 | 85,495,223 | - | - | - | - | 89,212,407 |
| Right issue costs | | - | (1,292,240) | - | - | - | - | (1,292,240) |
| Total transaction with owners | | 3,717,184 | 84,202,983 | - | - | - | - | 87,920,167 |
| Balance at 30 Sept, 2019 | | 8,053,898 | 435,148,730 | 115,893,903 | - | 39,103 | (191,718,064) | 367,417,569 |

The accompanying notes and significant accounting policies on pages 10 to 33 form an integral part of these financial statements.

Lafarge Africa Plc

Consolidated and Separate Statement of Cash Flows for the period ended 30 Sept 2019

| | Notes | Group | | | Company | | |
|---|--------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|
| | | 30 Sept 2019 N'000 | 30 Sept 2018 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 30 Sept 2018 N'000 | 31 Dec 2018 N'000 |
| Cash flows from operating activities: | | | | | | | |
| Loss after tax from continuing operation | | 20,573,324 | (10,373,024) | (8,801,726) | 26,846,011 | (1,919,221) | 4,141,764 |
| Adjustments to reconcile Loss for the year to net cash flows: | | | | | | | |
| Depreciation | 14.2 | 23,741,577 | 16,829,966 | 22,288,279 | 19,192,289 | 12,514,879 | 16,369,888 |
| Impairment losses on property, plant and equipment | 14 | - | - | 925,207 | - | - | 219,000 |
| Amortization of intangible asset | 15 | 359,983 | 438,279 | 494,990 | 334,878 | - | 2,280 |
| Impairment of investments in subsidiaries | | - | - | - | - | - | 3,174,874 |
| Gain on disposal of Investments in Subsidiary | | - | - | - | 839,263 | - | - |
| Other non-cash items | 31.3 | 224,524 | (1,363,649) | (59,859) | 158,298 | (1,336,692) | (1,107,304) |
| Net unrealized foreign exchange loss | | 245,654 | 3,922,916 | 6,206,982 | 569,490 | 3,562,842 | 3,885,150 |
| Finance costs | 12 | 17,779,460 | 27,542,398 | 37,526,676 | 18,320,965 | 25,804,348 | 34,890,220 |
| Finance income | 12 | (1,178,630) | (1,446,622) | (1,719,176) | (934,310) | (1,221,957) | (1,317,064) |
| Dividend income | 10.2 | - | (2,003) | (1,977) | (7,934,773) | - | - |
| Share of loss from joint venture | | - | 10,824 | 65,155 | - | - | - |
| Income tax expense/(credit) | 13.1 | (434,144) | (3,987,654) | (10,706,502) | (954,878) | (795,632) | (11,550,347) |
| Provisions and net movement on employee benefits | 31.1.6 | 138,018 | (50,016) | (234,601) | 274,586 | (317,256) | (237,782) |
| Change in net working capital | 31.1 | (12,785,094) | (854,875) | (16,130,965) | (11,450,896) | 9,357,849 | (8,758,260) |
| Cash flow generated from/(used in) operations | | 48,664,672 | 30,666,540 | 29,852,483 | 45,260,923 | 45,649,160 | 39,712,419 |
| Income taxes paid | 13.5 | (1,078,785) | (1,711,844) | (1,887,486) | - | (582,690) | (587,307) |
| Net cash flow generated from/(used in) from operating activities | | 47,585,887 | 28,954,696 | 27,964,997 | 45,260,923 | 45,066,470 | 39,125,112 |
| Cash flows from investing activities | | | | | | | |
| Acquisition of property, plant and equipment | 14.1 | (13,798,681) | (11,838,761) | (21,844,551) | (8,602,797) | (5,896,619) | (10,512,487) |
| Acquisition of intangible assets | 15 | (271,497) | (1,246,218) | (4,220,284) | - | - | (3,206,785) |
| Interest received | 12 | 559,706 | 852,242 | 1,180,509 | 323,022 | 657,529 | 986,135 |
| Dividend received | 10.2 | - | 2,003 | 1,977 | 7,934,773 | - | - |
| Proceeds from sale of property, plant and equipment | 31.2 | 152,280 | - | 969,990 | - | - | 931,931 |
| Net cash flow used in from investing activities | | (13,358,192) | (12,230,734) | (23,912,359) | (345,002) | (5,239,090) | (11,801,206) |
| Cash flows from financing activities | | | | | | | |
| Interest paid | | (8,067,314) | (26,046,722) | (37,298,875) | (8,052,099) | (21,904,127) | (33,794,289) |
| Dividend paid to equity holders of the company | 30.2 | (4,220,596) | (11,845,264) | (11,845,272) | (4,220,596) | (11,845,264) | (11,845,272) |
| Transaction cost on rights issue | 23.2 | (589,856) | (487,926) | (1,555,428) | (589,856) | (487,926) | (1,555,428) |
| Cash (paid) /received from futures and forward contracts | | - | 495,440 | (5,536,300) | - | 495,440 | (5,536,300) |
| Net proceed from rights issues | 23.2 | 89,212,407 | 36,861,919 | 19,378,284 | 89,212,407 | 36,861,919 | 19,378,284 |
| Cash proceed from disposal of discontinued operation | 16.3 | 240,719 | - | - | 240,719 | - | - |
| Transaction cost on disposal of discontinued operation | | (219,485) | - | - | (219,485) | - | - |
| Proceeds from loans and borrowings | 26.1 | 5,358,703 | 100,302,924 | 99,712,346 | 2,500,000 | 81,008,163 | 81,266,692 |
| Repayment of loans and borrowings | 26.1 | (99,605,898) | (128,175,435) | (87,925,710) | (109,013,100) | (129,419,053) | (88,528,977) |
| Net cash inflow (used in)/generated from financing activities | | (17,891,320) | (28,895,064) | (25,070,955) | (30,142,010) | (45,290,848) | (40,615,290) |
| Net (decrease)/increase in cash and cash equivalents | | 16,336,375 | (12,171,102) | (21,018,317) | 14,773,911 | (5,463,468) | (13,291,384) |
| Cash and cash equivalents at the beginning of the year | 22.1 | (23,808,042) | (1,148,616) | (1,148,616) | (7,762,363) | 6,179,481 | 6,179,481 |
| Net bank overdraft arising from deconsolidation of discontinued operation | | 16,527,094 | - | - | - | - | - |
| Effects of exchange rate changes on cash and cash equivalents | | (3,294) | (208,252) | (1,641,109) | (2,986) | 290,981 | (650,460) |
| Cash and cash equivalents at the end of the year | 22.1 | 9,052,133 | (13,527,970) | (23,808,042) | 7,008,562 | 1,006,994 | (7,762,363) |

The accompanying notes and significant accounting policies on pages 10 to 33 form an integral part of these financial statements.

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

1 The Company

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. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Company's corporate head office is situated at 27B Gerrard Road, Ikoyi, Lagos which is same as the registered office.

Business description

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 Lafarge Holcim. The term 'Group' as used in this report refers to Lafarge Africa, its subsidiaries and investment in joint operations.

The Group's subsidiaries are as stated below;

| 30th Sept 2019 | 31st Dec. 2018 | 30th Sept 2018 |
|-----------------------------------|---|---|
| Ashaka Cement PLC | Ashaka Cement PLC | Ashaka Cement PLC |
| Lafarge Ready Mix Nigeria Limited | Lafarge Ready Mix Nigeria Limited | Lafarge Ready Mix Nigeria Limited |
| | Lafarge South Africa Holdings (PTY) Limited | Lafarge South Africa Holdings (PTY) Limited |
| Wapsila Nigeria Limited | Wapsila Nigeria Limited | |

2 Summary of significant accounting policies

The Group financial statements of Lafarge Africa Plc for the period ended 30 Sept 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the requirements of the Companies and Allied Matters Act CAP C.20 Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Lafarge Africa Plc Group has consistently applied the same accounting policies and methods of computation in its interim condensed consolidated and separate financial statements as in its 2018 annual financial statements. New standards, interpretations and amendments, effective for the first time from 1st January 2019, which had a material effect on the financial statements have been applied appropriately.

i) Financial period

These consolidated and separate financial statements cover the financial period from 1 January 2019 to 30 September 2019 with corresponding figures for period ended 30 September 2018.

ii) Statement of compliance

These interim condensed consolidated and separate financial statements of Lafarge Africa Plc Group have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise required in a complete set of financial statements and should be read in conjunction with 2018 annual report. The financial statements which were prepared on a going concern basis, were authorized for issue by the Company's board of directors on 24th October 2019.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

iii) Basis of preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following:

- non-derivative financial instruments – initially at fair value and subsequently at amortized cost using effective interest rate
- derivative financial instruments – measured at fair value
- defined benefit pension plans - plan assets measured at fair value
- inventory - lower of cost and net realisable value

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

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

| | Group | | | | Company | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | N'000 | N'000 | N'000 | N'000 | | | N'000 |
| 6 Revenue | | | | | | | | |
| Sale of goods | 45,171,777 | 72,008,596 | 163,057,020 | 234,300,122 | 39,308,592 | 42,307,207 | 140,888,245 | 142,756,931 |
| The following is an analysis of revenue by product: | | | | | | | | |
| Cement | 43,984,975 | 56,286,314 | 158,597,306 | 188,502,585 | 38,717,443 | 41,510,943 | 138,789,722 | 140,346,596 |
| Aggregate and concrete | 1,186,802 | 14,327,704 | 4,459,714 | 42,071,893 | - | - | - | - |
| Admixtures and other products (Note 6.1) | - | 1,394,577 | - | 3,725,645 | - | - | - | - |
| Revenue -Related party | | | | | 591,149 | 796,264 | 2,098,523 | 2,410,335 |
| | 45,171,777 | 72,008,595 | 163,057,020 | 234,300,123 | 39,308,592 | 42,307,207 | 140,888,245 | 142,756,931 |

6.1 Admixtures and other products represent revenue earned from the sale of fly ash, ready-mix pump sales and other mineral components from South African operations.

| | Group | | | | Company | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | N'000 | | N'000 | | N'000 | |
| 7 Cost of sales by nature | | | | | | | | |
| Variable costs (Note 7.1) | 16,406,439 | 36,490,736 | 65,730,229 | 112,710,018 | 13,182,643 | 17,810,478 | 53,156,771 | 55,172,032 |
| Production costs (Note 7.2) | 5,597,184 | 9,109,794 | 16,788,606 | 29,383,157 | 4,067,466 | 4,783,604 | 11,584,668 | 14,016,969 |
| Maintenance costs | 3,494,633 | 3,364,311 | 6,138,411 | 13,217,637 | 2,910,135 | 1,408,461 | 5,325,295 | 5,746,725 |
| Distribution costs | 681,854 | 377,415 | 2,624,301 | 6,301,409 | 358,419 | (328,678) | 2,027,035 | 2,900,738 |
| Depreciation (Note 14.2) | 6,839,583 | 5,154,685 | 20,143,713 | 16,154,718 | 6,149,359 | 4,205,403 | 18,256,585 | 12,379,493 |
| Amortisation and impairment of intangible assets | 340,878 | 378,722 | 359,983 | 438,279 | 331,378 | - | 334,878 | - |
| | 33,360,571 | 54,875,664 | 111,785,243 | 178,205,218 | 26,999,400 | 27,879,268 | 90,685,232 | 90,215,957 |
| 7.1 Variable costs | | | | | | | | |
| Distribution variable cost (Note 9.1) | 7,181,999 | 13,219,175 | 28,265,928 | 42,243,529 | 5,655,626 | 6,623,452 | 24,028,721 | 21,652,359 |
| Fuel and power | 10,917,448 | 10,844,172 | 24,470,386 | 33,601,066 | 8,889,674 | 5,978,114 | 18,283,895 | 19,944,418 |
| Raw materials and consumables | (1,693,008) | 12,427,389 | 12,993,915 | 36,865,423 | (1,362,657) | 5,208,912 | 10,844,155 | 13,575,255 |
| | 16,406,439 | 36,490,736 | 65,730,229 | 112,710,018 | 13,182,643 | 17,810,478 | 53,156,771 | 55,172,032 |
| 7.2 Production costs | | | | | | | | |

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

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

| | Group | | | | Company | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | | N'000 | | | |
| 8 Selling and marketing expenses | | | | | | | | |
| Advertising expenses | 708,947 | 375,185 | 1,091,748 | 602,400 | 709,379 | 375,186 | 1,091,748 | 602,400 |
| Campaign and innovation expenses | 46,664 | (164,292) | 47,820 | 197,289 | 16,824 | 115,419 | 47,820 | 197,289 |
| Other selling and marketing expenses (Note 8.1) | 1,053,657 | 1,474,030 | 2,049,441 | 3,655,220 | 642,325 | 140,433 | 1,958,099 | 499,245 |
| | 1,809,268 | 1,684,923 | 3,189,009 | 4,454,909 | 1,368,528 | 631,038 | 3,097,667 | 1,298,934 |

| | Group | | | | Company | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | | N'000 | | | |
| 9 Administrative expenses by nature | | | | | | | | |
| Administrative expenses | 2,130,074 | 8,943,405 | 9,973,725 | 23,965,981 | 2,494,525 | 6,045,416 | 9,869,591 | 16,207,451 |
| Depreciation (Note 14.2) | 310,072 | 269,375 | 1,094,260 | 675,248 | 260,267 | 49,709 | 935,703 | 135,386 |
| Technical service fees | 259,552 | 3,457,332 | 2,018,193 | 7,985,186 | 253,854 | 1,929,258 | 1,816,730 | 5,155,599 |
| | 2,699,698 | 12,670,112 | 13,086,178 | 32,626,415 | 3,008,646 | 8,024,383 | 12,622,024 | 21,498,436 |

| | Group | | | | Company | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | | N'000 | | | |
| 10 Other income | | | | | | | | |
| Gain on disposal of property, plant and equipment (Note 10.1) | 32,689 | - | 32,689 | - | - | - | - | - |
| Scrapped and other miscellaneous income (Note 10.1) | 410,507 | (8,644) | 449,500 | 97,994 | 214,198 | (9,625) | 260,723 | 86,669 |
| Investment income (Note 10.2) | - | 2,003 | - | 2,003 | - | - | 7,934,773 | - |
| | 443,196 | -6,641 | 482,189 | 99,997 | 214,198 | -9,625 | 8,195,496 | 86,669 |

10.1 Scrapped and other miscellaneous income

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

10.2 Dividend received from subsidiaries

This represents dividend received from AshakaCem. Ltd.

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

10.2.2 Dividend received from unlisted investments

This represents dividend received by Lafarge South Africa holdings (PTY) Limited on its unlisted investments.

| 11 Impairment loss/reversal on trade receivables | Group | | | | Company | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | N'000 | N'000 | | | N'000 |
| Impairment of trade and other receivables | 235 | (23,810) | 59,660 | (18,268) | 4,281 | 1,232 | 61,603 | 5,252 |
| | 235 | (23,810) | 59,660 | (18,268) | 4,281 | 1,232 | 61,603 | 5,252 |

| 12 Finance income and costs | Group | | | | Company | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | N'000 | N'000 | | | N'000 |
| a) Finance income: | | | | | | | | |
| Interest income on current accounts | 112,633 | 60,250 | 931,833 | 656,644 | 90,513 | 191,970 | 687,523 | 656,644 |
| Other finance income | 25 | 73,119 | 71 | 223,803 | 23 | 73,119 | 61 | 223,803 |
| Interest income on current accounts | 112,658 | 133,369 | 931,904 | 880,447 | 90,536 | 265,089 | 687,584 | 880,447 |
| Interest income from Short term fixed deposits | - | 195,221 | - | 195,598 | - | 508 | - | 885 |
| Interest on loan receivable | 76,320 | 84,510 | 246,726 | 370,577 | 76,320 | 70,959 | 246,726 | 340,625 |
| | 188,978 | 413,100 | 1,178,630 | 1,446,622 | 166,856 | 336,556 | 934,310 | 1,221,957 |
| b) Finance costs: | | | | | | | | |
| Interest on bank overdraft | - | (601,255) | - | (2,090,257) | - | (225,324) | - | (864,782) |
| Interest on borrowings (Note 26.1) | (3,346,570) | (7,460,192) | (16,915,166) | (23,502,117) | (3,501,517) | (7,286,159) | (17,517,632) | (23,352,841) |
| Unwinding of discount on site restoration (Note 27.1) | - | 1,488 | - | (43,293) | - | - | - | - |
| Interest cost on employee's long service award (Note 29.1) | (65,585) | (79,329) | (150,763) | (172,938) | (55,842) | (59,102) | (121,534) | (129,040) |
| Interest cost on defined benefit obligation | (14,257) | (117,898) | (42,774) | (307,671) | (14,257) | (47,858) | (42,774) | (86,114) |
| Bank charges | (119,702) | (463,201) | (670,757) | (1,426,122) | (120,228) | (450,876) | (639,025) | (1,371,571) |
| Finance costs per statement of cash flows | (3,546,114) | (8,720,387) | (17,779,460) | (27,542,398) | (3,691,844) | (8,069,319) | (18,320,965) | (25,804,348) |
| Foreign exchange loss (net) | 297,433 | (2,492,126) | 1,201,571 | (7,385,923) | 302,412 | (3,512,233) | 1,376,630 | (7,957,483) |
| Finance costs | (3,248,681) | (11,212,513) | (16,577,889) | (34,928,321) | (3,389,432) | (11,581,552) | (16,944,335) | (33,761,831) |
| Net finance (costs)/ income recognised in the profit or loss | (3,059,703) | (10,799,413) | (15,399,259) | (33,481,699) | (3,222,576) | (11,244,996) | (16,010,025) | (32,539,874) |

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

13 Income tax (credit)/ expense

13.1 Income tax (credit)/ expense recognised in profit or loss

| | Group | | | | Company | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 3months ended 30/09/2019 | 3months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | | | | N'000 | | | |
| Current taxation | | | | | | | | |
| Company income tax | 641,349 | 407,230 | 1,542,510 | 1,582,157 | 292,741 | - | 313,102 | - |
| Education tax | (168,127) | 57,117 | 81,417 | 410,128 | (233,245) | 24,263 | (2,119) | 291,777 |
| Total current tax expense | 473,222 | 464,347 | 1,623,927 | 1,992,285 | 59,496 | 24,263 | 310,983 | 291,777 |
| Deferred taxation | | | | | | | | |
| Deferred income tax (credit)/expense to profit or loss (Note 13.6) | (521,340) | (2,008,781) | (2,058,071) | (5,979,939) | 123,211 | (1,497,496) | (1,265,861) | (1,087,409) |
| Income tax (credit)/expense | (48,118) | (1,544,434) | (434,144) | (5,979,939) | 182,707 | (1,473,233) | (954,878) | (795,632) |
| Income tax (credit)/ expense | (48,118) | (1,544,434) | (434,144) | (3,987,654) | 182,707 | (1,473,233) | (954,878) | (795,632) |

Lafarge Africa Plc

Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

13.2 Reconciliation of effective tax to statutory tax

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

| | Group | | Company | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 9months ended 30/09/2019 | 9months ended 30/09/2018 | 9months ended 30/09/2019 | 9months ended 30/09/2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Profit / (loss) before tax from continuing operations | 20,139,180 | (14,360,678) | 25,891,133 | (2,714,853) |
| Tax calculated at statutory tax rate of 32%, 28% for LSAH | 6,041,754 | (4,308,203) | 7,767,340 | (814,456) |
| Impact of disallowable expenses for tax purpose | 213,237 | 598,271 | 175,427 | 377,386 |
| Impact of non taxable income | (137,751) | (718,606) | (2,380,351) | (650,339) |
| Changes in estimate relating to prior year | (3,722,631) | (252,105) | (2,902,755) | - |
| Impact of education tax rule | 400,224 | 410,127 | 310,983 | 291,777 |
| Impact of unrecognised tax losses | 696,545 | - | - | - |
| #REF! | (3,925,522) | - | (3,925,522) | - |
| Effect of lower tax rates in South Africa | - | 282,863 | - | - |
| Income tax (credit)/expense recognised in profit or loss | (434,144) | (3,987,654) | (954,878) | (795,632) |
| Effective tax rate | 0% | 28% | 0% | 29% |

13.3 Current tax asset

| | Group | | Company | |
|--|--------------|-------------|--------------|-------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| At 1 January | 658,291 | 917,797 | - | - |
| Arising from deconsolidation of discontinued operation | (658,291) | - | - | - |
| Charge for the year | | | | |
| Company income tax | - | (309,334) | - | - |
| Prior year over-provision | - | - | - | - |
| Charge for the year | - | (309,334) | - | - |
| Payments during the year | | 83,836 | - | - |
| Exchange rate difference | | (34,008) | - | - |
| At Closing | - | 658,291 | - | - |

13.4 Current tax liabilities

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 January | 1,156,231 | 3,251,525 | 201,200 | 1,544,949 |
| Charge for the year: | | | | |
| Company income tax | 1,542,510 | 841,754 | 313,102 | - |
| Education tax | 81,417 | 113,278 | (2,119) | - |
| Capital gains tax | - | 84,876 | - | 84,876 |
| Reclassification to non-income tax liabilities | - | (1,287,527) | - | (841,318) |
| | 1,623,927 | (247,619) | 310,983 | (756,442) |
| Payment during the year | (1,078,785) | (1,803,650) | - | (587,307) |
| Withholding tax utilised | - | (44,025) | - | - |
| At Closing | 1,701,373 | 1,156,231 | 512,183 | 201,200 |

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

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Current income tax asset paid (Note 13.3) | - | (83,836) | - | - |
| Current income tax liabilities paid (Note 13.4) | (1,078,785) | (1,803,650) | - | (587,307) |
| Total current income taxes paid | (1,078,785) | (1,887,486) | - | (587,307) |

13.6 Deferred taxation

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

| | Group | | Company | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Deferred tax assets | 30,148,702 | 28,720,032 | 29,216,769 | 27,950,907 |
| Deferred tax liabilities | (9,510,029) | (10,200,112) | - | - |
| Deferred tax assets/(liabilities) net | 20,638,673 | 18,519,920 | 29,216,769 | 27,950,907 |

| Group Deferred tax liabilities/(assets): | At 1 January 2019 | Derecognition of discontinued operation | (Credit)/ charge to P/L | (Credit)/ charge to OCI | Exchange rate differences | 30 Sept 2019 |
|--|----------------------|--|----------------------------|----------------------------|------------------------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Property, plant and equipment | 18,967,634 | (9,965,785) | (7,522,399) | - | (23) | 1,479,426 |
| Provisions and other liabilities | (9,324,378) | 2,449,551 | 522,652 | - | 382,295 | (5,969,880) |
| Unutilised tax losses | (23,576,537) | 7,244,981 | 4,596,491 | - | (4,480) | (11,739,545) |
| Employment benefit obligation | 167,220 | (96,349) | - | - | (70,871) | - |
| Unrealised exchange differences | (4,753,859) | - | 345,185 | - | - | (4,408,674) |
| Total deferred tax (assets)/liabilities | (18,519,920) | (367,602) | (2,058,071) | - | 306,920 | (20,638,673) |

| Deferred tax liabilities/(assets): | At 1 January 2018 | (Credit)/ charge to P/L | (Credit)/ charge to OCI | Exchange rate | 31 December 2018 |
|--|----------------------|----------------------------|----------------------------|------------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Property, plant and equipment | 24,725,234 | (5,011,254) | - | (746,346) | 18,967,634 |
| Provisions and other liabilities | (6,407,725) | (3,041,388) | - | 124,735 | (9,324,378) |
| Unutilised tax losses | (19,038,136) | (5,066,123) | - | 527,722 | (23,576,537) |
| Employment benefit obligation | (131,065) | 176,953 | 54,401 | 66,931 | 167,220 |
| Prepayments | 83,776 | (82,649) | - | (1,127) | - |
| Unrealised exchange differences | (5,720,573) | 966,714 | - | - | (4,753,859) |
| Total deferred tax (assets)/liabilities | (6,488,489) | (12,057,747) | 54,401 | (28,085) | (18,519,920) |

Company

| Deferred tax assets/(liabilities): | At 1 January 2019 | (Credit)/ charge to P/L | (Credit)/ charge to OCI | 30 Sept 2019 |
|--|----------------------|----------------------------|----------------------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Property, plant and equipment | (1,437,267) | (6,472,016) | - | (7,909,283) |
| Unutilised tax losses | (15,773,773) | 4,664,742 | - | (11,109,031) |
| Provisions and other liabilities | (5,781,347) | 95,195 | - | (5,686,152) |
| Unrealised exchange differences | (4,958,520) | 446,218 | - | (4,512,302) |
| Total deferred tax (assets)/liabilities | (27,950,907) | (1,265,862) | - | (29,216,769) |

| Deferred tax liabilities/ (assets): | At 1 January 2018 | (Credit)/ charge to P/L | (Credit)/ charge to OCI | 31 December 2018 |
|--|----------------------|----------------------------|----------------------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Property, plant and equipment | 3,756,535 | (5,193,802) | - | (1,437,267) |
| Unutilised tax losses | (11,684,826) | (4,088,947) | - | (15,773,773) |
| Provisions and other liabilities | (2,699,231) | (3,082,116) | - | (5,781,347) |
| Unrealised exchange differences | (5,511,209) | 552,689 | - | (4,958,520) |
| Post employment benefit obligation | (194,653) | 176,953 | 17,700 | - |
| Total deferred tax liabilities/(assets) | (16,333,384) | (11,635,223) | 17,700 | (27,950,907) |

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 unutilized tax losses can be utilised.

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14 Property, plant and equipment

| Group | Leasehold Land | Buildings | Production Plant | Capitalised Spares | Furniture | Motor Vehicles | Computer Equipment | Ancillary Plant & Machinery | Construction Work in Progress | **Right of use assets | Total |
|--|------------------|--------------------|--------------------|--------------------|------------------|------------------|--------------------|-----------------------------|-------------------------------|-----------------------|--------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Cost: | | | | | | | | | | | |
| As at 1 January 2018 | 7,957,750 | 112,228,459 | 399,062,642 | 4,669,582 | 10,995,791 | 2,429,640 | 1,583,995 | 1,371,803 | 34,130,290 | - | 574,429,952 |
| Capital expenditure | - | - | - | - | - | - | - | - | 21,654,504 | - | 21,654,504 |
| Transfer from inventory | - | - | 5,362,466 | 1,211,285 | - | - | - | - | - | - | 6,573,751 |
| Construction expenditure capitalised | - | 5,572,794 | 10,635,564 | 592,282 | 341,526 | 2,245,276 | 272,634 | 130,057 | (19,790,133) | - | - |
| Reclassification | - | - | - | - | 45,562 | (45,562) | - | - | - | - | - |
| Disposals | (1,110) | (9,099) | (347,503) | - | (749,297) | (198,162) | - | - | - | - | (1,305,171) |
| Write-offs | (150,182) | (492,404) | (553,146) | (87,306) | (2,657,045) | (130,996) | (785,110) | (6,161) | (458,882) | - | (5,321,232) |
| Effect of movements in exchange rates | - | (693,665) | (5,769,463) | - | (337,581) | - | - | - | 72,744 | - | (6,727,965) |
| As at 31 December 2018 | 7,806,458 | 116,606,085 | 408,390,560 | 6,385,843 | 7,638,956 | 4,300,196 | 1,071,519 | 1,495,699 | 35,608,523 | - | 589,303,839 |
| Cost: | | | | | | | | | | | |
| As at 1 January 2019 | 7,806,458 | 116,606,085 | 408,390,560 | 6,385,843 | 7,638,956 | 4,300,196 | 1,071,519 | 1,495,699 | 35,608,523 | 24,108,188 | 613,412,027 |
| Arising from deconsolidation of LSAH | - | (9,396,166) | (77,722,580) | - | (4,512,162) | - | - | - | (989,517) | - | (92,620,425) |
| Capital expenditure | - | - | - | - | - | - | - | - | 15,396,250 | - | 15,396,250 |
| Construction expenditure capitalised | - | 940,742 | 843,642 | 612 | 75,756 | 168,334 | - | - | (2,029,086) | 478,851 | 478,851 |
| Reclassification | - | - | (2,955,626) | (1,879,922) | - | 221,277 | - | - | - | - | (4,614,271) |
| Disposals | - | - | (52,477) | - | - | (210,947) | - | - | - | - | (263,424) |
| As at 30 Sept 2019 | 7,806,458 | 108,150,661 | 328,503,518 | 4,506,533 | 3,202,550 | 4,478,860 | 1,071,519 | 1,495,699 | 47,986,170 | 24,587,039 | 531,789,008 |
| Group | Leasehold Land | Buildings | Production Plant | Capitalised Spares | Furniture | Motor Vehicles | Computer Equipment | Ancillary Plant & Machinery | Construction Work in Progress | **Right of use assets | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Accumulated depreciation and impairment losses: | | | | | | | | | | | |
| As at 1 January 2018 | 4,085,324 | 21,189,359 | 127,699,454 | 1,790,640 | 6,392,191 | 2,331,167 | 1,127,259 | 385,243 | 15,777,381 | - | 180,778,018 |
| Charge for the year | 239,762 | 3,386,848 | 16,219,591 | 765,515 | 1,320,964 | 239,551 | 95,517 | 121,235 | (4,319) | - | 22,384,664 |
| On disposals | - | (5,586) | (340,261) | - | (727,498) | (198,980) | - | (16,821) | - | - | (1,289,146) |
| Write-offs | (27,293) | (99,718) | (489,648) | (87,306) | (2,717,520) | (145,618) | (786,471) | (8,449) | - | - | (4,362,023) |
| Impairment loss | - | - | 498,971 | - | - | - | - | - | 426,236 | - | 925,207 |
| Effect of movements in exchange rates | - | (280,991) | (3,121,094) | - | (215,098) | - | - | - | (4,462) | - | (3,621,645) |
| As at 31 December 2018 | 4,297,793 | 24,189,912 | 140,467,013 | 2,468,849 | 4,053,039 | 2,226,120 | 436,305 | 481,208 | 16,194,836 | - | 194,815,075 |

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| Group (cont'd) | Leasehold Land | Buildings | Production Plant | Capitalised Spares | Furniture | Motor Vehicles | Computer Equipment | Ancillary Plant & Machinery | Construction Work in Progress | | 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 2019 | 4,297,793 | 24,189,912 | 140,467,013 | 2,468,849 | 4,053,039 | 2,226,120 | 436,305 | 481,208 | 16,194,836 | - | 194,815,075 |
| Arising from deconsolidation of LSAH | - | (3,862,972) | (44,993,678) | - | (2,949,104) | - | - | - | (59,343) | - | (51,865,097) |
| Charge for the year | 482,041 | 2,575,449 | 12,530,170 | 238,523 | 219,503 | 281,751 | - | - | - | 7,414,140 | 23,741,577 |
| On disposals | - | - | (44,945) | - | - | (94,010) | - | - | - | - | (138,955) |
| As at 30 Sept 2019 | 4,779,834 | 22,902,389 | 107,958,560 | 2,707,372 | 1,323,439 | 2,413,861 | 436,305 | 481,208 | 16,135,493 | 7,414,140 | 166,552,600 |
| Carrying amount | | | | | | | | | | | |
| As at 30 Sept 2019 | 3,026,624 | 85,248,272 | 220,544,959 | 1,799,162 | 1,879,111 | 2,064,999 | 635,214 | 1,014,491 | 31,850,678 | 17,172,899 | 365,236,408 |
| At 31 December 2018 | 3,508,665 | 92,416,173 | 267,923,547 | 3,916,994 | 3,585,917 | 2,074,076 | 635,214 | 1,014,491 | 19,413,687 | - | 394,488,764 |

**See note 14.3 for details on right of use assets

| Company | Leasehold Land | Buildings | Production Plant | Capitalised Spares | Furniture | Motor Vehicles | Computer Equipment | Ancillary Plant & Machinery | Construction Expenditure | **Right of use assets | Total |
|--------------------------------------|----------------|------------|------------------|--------------------|-------------|----------------|--------------------|-----------------------------|--------------------------|-----------------------|-------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| As at 1 January 2018 | 7,807,567 | 76,879,834 | 283,679,139 | 4,669,582 | 4,740,108 | 1,859,937 | 1,700,125 | 656,090 | 21,753,168 | - | 403,745,550 |
| Capital expenditure | - | - | - | - | - | - | - | - | 10,512,487 | - | 10,512,487 |
| Construction expenditure capitalised | - | 2,774,466 | 7,282,876 | 592,282 | 26,034 | 2,084,519 | 272,634 | 130,057 | (13,162,868) | - | - |
| Transfer from Inventory | - | - | 5,362,466 | - | - | - | - | - | - | - | 5,362,466 |
| Disposals | (1,110) | (8,967) | (131,743) | - | (477,846) | (157,758) | - | - | - | - | (777,424) |
| Write-offs | - | - | (472,719) | (87,306) | (2,465,186) | (125,796) | (785,110) | (6,161) | (369,037) | - | (4,311,315) |
| As at 31 December 2018 | 7,806,457 | 79,645,333 | 295,720,019 | 5,174,558 | 1,823,110 | 3,660,902 | 1,187,649 | 779,986 | 18,733,750 | - | 414,531,764 |
| Cost: | | | | | | | | | | | |
| As at 1 January 2019 | 7,806,457 | 79,645,333 | 295,720,019 | 5,174,558 | 1,823,110 | 3,660,902 | 1,187,649 | 779,986 | 18,733,750 | 23,048,876 | 437,580,640 |
| Capital expenditure | - | - | - | - | - | - | - | - | 9,569,799 | - | 9,569,799 |
| Construction expenditure capitalised | - | 879,806 | 790,843 | - | 75,756 | 156,202 | - | - | (1,902,607) | 375,491 | 375,491 |
| Reclassification | - | - | (2,882,472) | - | - | 112,330 | - | - | - | - | (2,770,142) |
| As at 30 Sept 2019 | 7,806,457 | 80,525,139 | 293,628,390 | 5,174,558 | 1,898,866 | 3,929,434 | 1,187,649 | 779,986 | 26,400,942 | 23,424,366 | 444,755,787 |

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| Company (Contd.) | Leasehold Land | Buildings | Production Plant | Capitalised Spares | Furniture | Motor Vehicles | Computer Equipment | Ancillary Plant & Machinery | Construction Expenditure | **Right of use assets | Total |
|--|------------------|-------------------|--------------------|--------------------|------------------|------------------|--------------------|-----------------------------|--------------------------|-----------------------|--------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | | N'000 |
| Accumulated depreciation and impairment losses: | | | | | | | | | | | |
| As at 1 January 2018 | 4,034,547 | 12,665,004 | 73,217,198 | 1,790,640 | 3,442,002 | 1,712,644 | 1,231,223 | 385,243 | 12,394,270 | - | 110,872,771 |
| Charge for the year | 235,623 | 2,312,816 | 12,304,820 | 493,297 | 672,741 | 217,058 | 93,550 | 121,235 | - | - | 16,451,140 |
| Impairment loss | - | - | 219,000 | - | - | - | - | - | - | - | 219,000 |
| Disposals | - | (5,455) | (131,056) | - | (477,846) | (157,758) | - | - | - | - | (772,115) |
| Write-offs | - | - | (466,289) | (87,306) | (2,541,140) | (140,418) | (782,774) | 3,166 | - | - | (4,014,761) |
| As at 31 December 2018 | 4,270,170 | 14,972,365 | 85,143,673 | 2,196,631 | 1,095,757 | 1,631,526 | 541,999 | 509,644 | 12,394,270 | - | 122,756,035 |
| As at 1 January 2019 | 4,270,170 | 14,972,365 | 85,143,673 | 2,196,631 | 1,095,757 | 1,631,526 | 541,999 | 509,644 | 12,394,270 | - | 122,756,035 |
| Charge for the year | 411,708 | 2,017,496 | 9,109,015 | 173,670 | 155,206 | 238,978 | - | - | - | 7,086,216 | 19,192,289 |
| As at 30 Sept 2019 | 4,681,878 | 16,989,861 | 94,252,688 | 2,370,301 | 1,250,963 | 1,870,504 | 541,999 | 509,644 | 12,394,270 | 7,086,216 | 141,948,324 |
| Carrying amount | | | | | | | | | | | |
| As at 30 Sept 2019 | 3,124,579 | 63,535,278 | 199,375,702 | 2,804,257 | 647,903 | 2,058,930 | 645,650 | 270,342 | 14,006,672 | 16,338,150 | 302,807,463 |
| At 31 December 2018 | 3,536,287 | 64,672,968 | 210,576,346 | 2,977,927 | 727,353 | 2,029,376 | 645,650 | 270,342 | 6,339,480 | - | 291,775,729 |

**See note 14.3 for details on right of use assets

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

| | Group | | Company | |
|---|-------------------|-------------------|------------------|-------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Acquisition or property, plant and equipment | 15,396,250 | 20,351,343 | 9,569,799 | 12,535,366 |
| Property, plant and equipment accrual | (1,597,569) | (5,072,849) | (967,002) | (2,175,311) |
| Property, plant and equipment paid in the statement of cash flows | 13,798,681 | 15,278,494 | 8,602,797 | 10,360,055 |

14.2 Depreciation

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

| | Group | | Company | |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | YTD 2019 N'000 | YTD 2018 N'000 | YTD 2019 N'000 | YTD 2018 N'000 |
| Cost of sales | 23,306,671 | 16,154,718 | 18,913,690 | 12,379,493 |
| Administrative expenses | 434,906 | 675,248 | 278,599 | 135,386 |
| | 23,741,577 | 16,829,966 | 19,192,289 | 4,113,394 |

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 201

14.3 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 2019 | 91,569 | 883,057 | 3,140,380 | 19,993,181 | 24,108,188 |
| Additions | 5,000 | 187,255 | 86,425 | 200,172 | 478,851 |
| As at 30 Sept 2019 | 96,569 | 1,070,312 | 3,226,805 | 20,193,353 | 24,587,039 |
| Accumulated depreciation: | | | | | |
| As at 1 January 2019 | - | - | - | - | - |
| Depreciation charge for the period | 16,938 | 431,648 | 1,241,038 | 5,724,517 | 7,414,140 |
| As at 30 Sept 2019 | 16,938 | 431,648 | 1,241,038 | 5,724,517 | 7,414,140 |
| Carrying amount | | | | | |
| As at 30 Sept 2019 | 79,632 | 638,664 | 1,985,767 | 14,468,836 | 17,172,899 |
| As at 1 January 2019 | 91,569 | 883,057 | 3,140,380 | 19,993,181 | 24,108,188 |

| Company | Leasehold Land N'000 | Buildings N'000 | Production Plant N'000 | Motor Vehicles N'000 | Total N'000 |
|------------------------------------|----------------------------|--------------------|------------------------------|-------------------------|-------------------|
| Cost: | | | | | |
| As at 1 January 2019 | 2,083 | 860,285 | 2,193,326 | 19,993,181 | 23,048,876 |
| Additions | 5,000 | 170,319 | - | 200,172 | 375,491 |
| As at 30 Sept 2019 | 7,084 | 1,030,603 | 2,193,326 | 20,193,353 | 23,424,366 |
| Accumulated depreciation: | | | | | |
| As at 1 January 2019 | - | - | - | - | - |
| Depreciation charge for the period | 3,755 | 417,509 | 940,436 | 5,724,517 | 7,086,216 |
| As at 30 Sept 2019 | 3,755 | 417,509 | 940,436 | 5,724,517 | 7,086,216 |
| Carrying amount | | | | | |
| As at 30 Sept 2019 | 3,329 | 613,094 | 1,252,891 | 14,468,836 | 16,338,150 |
| As at 1 January 2019 | 2,083 | 860,285 | 2,193,326 | 19,993,181 | 23,048,876 |

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15 Intangible assets

| | Computer Software N'000 | Group Work in progress N'000 | Total N'000 |
|--|-------------------------------|---------------------------------------|------------------|
| Cost | | | |
| Balance at 1 January 2018 | 5,102,341 | - | 5,102,341 |
| Additions | 1,106,247 | 3,114,037 | 4,220,284 |
| Effect of movements in exchange rates | (313,523) | | (313,523) |
| Balance at 31 December 2018 | 5,895,065 | 3,114,037 | 9,009,102 |
| Balance at 1 January 2019 | 5,895,065 | 3,114,037 | 9,009,102 |
| Arising from deconsolidation of discontinued operation | (5,091,290) | | (5,091,290) |
| Construction expenditure capitalised | 3,114,037 | (3,114,037) | - |
| Additions | 271,497 | - | 271,497 |
| Balance at 30 Sept 2019 | 4,189,309 | - | 4,189,309 |
| Accumulated Amortisation | | | |
| Balance at 1 January 2018 | 2,468,015 | - | 2,468,015 |
| Charge for the year | 499,684 | - | 499,684 |
| Impairment | - | | - |
| Effect of movements in exchange rates | (153,113) | | (153,113) |
| Balance at 31 December 2018 | 2,814,586 | - | 2,814,586 |
| Balance at 1 January 2019 | 2,814,586 | - | 2,814,586 |
| Arising from deconsolidation of discontinued operation | (2,144,809) | | (2,144,809) |
| Charge for the year | 359,983 | - | 359,983 |
| Balance at 30 Sept 2019 | 1,029,760 | - | 1,029,760 |
| Carrying amount | | | |
| At 30 Sept 2019 | 3,159,549 | - | 3,159,549 |
| At 31 December 2018 | 3,080,479 | 3,114,037 | 6,194,516 |
| Company | | | |
| | Computer Software N'000 | Work in progress N'000 | Total N'000 |
| Cost | | | |
| Balance at 1 January 2018 | - | - | - |
| Additions | 92,748 | 3,114,037 | 3,206,785 |
| Balance at 31 December 2018 | 92,748 | 3,114,037 | 3,206,785 |
| Balance at 1 January 2019 | 92,748 | 3,114,037 | 3,206,785 |
| Construction expenditure capitalised | 3,114,037 | (3,114,037) | - |
| Additions | 268,777 | - | 268,777 |
| Balance at 30 Sept 2019 | 3,475,562 | - | 3,475,562 |
| Accumulated Amortisation | | | |
| Balance at 1 January 2018 | - | - | - |
| Charge for the year | 2,280 | - | 2,280 |
| Balance at 31 December 2018 | 2,280 | - | 2,280 |
| Balance at 1 January 2019 | 2,280 | - | 2,280 |
| Charge for the year | 334,878 | - | 334,878 |
| Balance at 30 Sept 2019 | 337,158 | - | 337,158 |
| Carrying amount | | | |
| At 30 Sept 2019 | 3,138,404 | - | 3,138,404 |
| At 31 December 2018 | 90,468 | 3,114,037 | 3,204,505 |

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

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16 Disposal of investment in Subsidiary

On July 31st 2019, the company completed the sale of its investment in South Africa subsidiary, Lafarge SouthAfrica Holdings (LSAH) based on the approval of Shareholders at the 60th Annual General meeting on July 22, 2019. The investment was sold at US\$317,000,000 which was utilized to settle the entire principal (US\$ 293,000,000) and accrued interest to 31st July, 2019 (US\$23,289,060.55) on the Inter Company loan owed to Caricement BV (Purchaser).

The gain on the disposal of the investment was calculated and shown below:

16.1 Group gain on discontinued operation

The group has compared the consideration of disposal against the net asset/ (liability) of its subsidiary at the date of disposal in order to arrive at group profit/(loss) on disposal.

| | USD'000 | Rate | N'000 |
|--|-------------|--------|--------------------|
| Proceed from disposal | 317,000,000 | 360.72 | 114,348,240 |
| Transaction cost on disposal | | | (219,485) |
| | | | 114,128,755 |
| Less: | | | |
| Net liability of LSAH at July 31, 2019 | | | 2,386,768 |
| Non-controlling interest derecognised | | | (305,322) |
| Cumulative exchange differences in respect of the net assets/liability of the subsidiary reclassified from equity on loss of control of subsidiary | | | (9,686,905) |
| Gain on disposal | | | 106,523,295 |

16.2 Parent's loss on disposal of subsidiary

The Company has compared the proceed of disposal against the carrying value of investment disposed at the date of disposal in order to arrive at group profit/(loss) on disposal.

| | N'000 |
|--------------------------------------|----------------------|
| Fair value of consideration received | 114,348,240 |
| Transaction cost on disposal | (219,485) |
| | (114,968,018) |
| Loss on disposal | (839,263) |

16.3 Net cash inflow/outflow arising on disposal of subsidiary

| | N'000 |
|-------------------------------|-------------|
| Proceed from disposal | 114,348,240 |
| Related party Loan settlement | 114,090,438 |
| Cash consideration received | 240,719 |
| other payables offset | 17,083 |
| | - |

16.4 Lafarge South Africa Holdings (PTY) Limited

| | One month ended 31/07/2019 | 7 months ended 31/07/2019 | 6 months ended 30/06/2019 |
|---|----------------------------|---------------------------|---------------------------|
| | N'000 | N'000 | N'000 |
| Statements of Profit or Loss as of July 31, 2019 | | | |
| Revenue | 8,734,284 | 51,145,309 | 42,411,025 |
| Cost of sales | (7,846,534) | (48,972,675) | (41,126,141) |
| Gross Profit | 887,749 | 2,172,633 | 1,284,884 |
| Selling and marketing expenses | (458,421) | (1,195,466) | (737,045) |
| Administrative expenses | (522,495) | (6,414,479) | (5,891,984) |
| Other operating expenses | (14,195) | (75,708) | (61,513) |
| Operating loss | (107,362) | (5,513,020) | (5,405,658) |
| Finance income | 76,037 | 283,607 | 207,570 |
| Finance costs | (192,259) | (1,128,184) | (935,925) |
| Share of loss from associates | 17,718 | (27,430) | (45,148) |
| Loss before tax | (205,866) | (6,385,027) | (6,179,161) |
| Income tax expense | 99,486 | (551,703) | (651,189) |
| Loss after tax from discontinued operation | (106,379) | (6,936,729) | (6,830,350) |

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

16.5 Lafarge South Africa Holdings (PTY) Limited Statement of Cash Flows for the period ended 31 July 2019

| | <u>N'000</u> |
|---|---------------------|
| Cash flows from operating activities: | |
| Loss after tax | (6,936,729) |
| Depreciation and impairment of property, plant and equipment | 2,451,376 |
| Amortisation and impairment of intangible assets | 45,937 |
| Loss / (Gains) on disposals of intangible assets | 27,694 |
| Other non-cash items | (63,120) |
| Movement in provision | 55,438 |
| Provisions and net movement on employee benefits | (77,043) |
| Finance cost | 1,128,184 |
| Income tax expense | 551,703 |
| Changes in working capital | 3,024,864 |
| Cash flow generated from/(used in) operations | 208,304 |
| Income tax paid | (218,526) |
| Net cash flow used in operating activities | (10,222) |
| Cash flows from investing activities | |
| Purchase of property, plant and equipment | (1,694,112) |
| Net movement in other financial assets | 76,245 |
| Proceed from disposal of assets | 50,368 |
| Net cash flows used in investing activities | (1,567,499) |
| Cash flows from financing activities | |
| Interest paid | (899,887) |
| Net cash flows used in financing activities | (899,887) |
| Net (decrease) / increase in cash and cash equivalents | (2,477,609) |
| Net foreign exchange difference | (326,081) |
| Cash and cash equivalents at 1 January | (16,527,094) |
| Cash and cash equivalents as at July 31, 2019 | (19,330,784) |

| | Group | | Company | |
|---------------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| 17 Other financial assets | | | | |
| Non-current: | | | | |
| Available for sale assets (Note 17.1) | - | 166,091 | - | - |
| Other financial assets | 1,148,247 | 1,135,057 | 1,148,247 | 1,134,509 |
| | <u>1,148,247</u> | <u>1,301,148</u> | <u>1,148,247</u> | <u>1,134,509</u> |
| Current: | | | | |
| Other financial assets (Note 17.3) | 767,599 | 1,140,956 | 1,465,920 | 605,230 |
| | <u>1,915,846</u> | <u>2,442,104</u> | <u>2,614,167</u> | <u>1,739,739</u> |

| | Group | |
|--|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| 17.1 Available for sale assets | | |
| Unquoted entities | | |
| Business Partners Limited | | 164,697 |
| Pietersburg Mixed Concrete (Proprietary) Limited | | 1,170 |
| Rand Park Golf Club | | 224 |
| | <u>-</u> | <u>166,091</u> |

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

19.1 Deferred charges

This amount largely relates to tenement rates paid in advance to two communities in 2018.

| | Group | | Company | |
|-------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Non current | 9,600 | 9,600 | 9,600 | 9,600 |
| | 9,600 | 9,600 | 9,600 | 9,600 |

19.2 Prepayment for Gas

The Company has a contract with a vendor for gas supply which has a take or pay clause. The prepayment for gas relates to payment made for unutilised gas as at end of the year. The contract is for a period of 20 years from 2012 to 2032 and the company is entitled to utilise the amount prepaid anytime within the contract period with an extension of 2years after the expiration of the contract.

20 Inventories

| | Group | | Company | |
|----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Raw materials | 3,298,149 | 10,493,583 | 2,955,475 | 9,139,734 |
| Finished goods | 14,555,019 | 20,551,403 | 11,817,241 | 9,140,528 |
| Spare parts | 19,509,201 | 12,937,064 | 15,746,534 | 8,951,553 |
| Other supplies (Note 20.1) | 4,506,393 | 3,174,471 | 4,506,393 | 1,689,652 |
| | 41,868,762 | #RFFI 47,156,521 | 35,025,643 | #RFFI 28,921,467 |

20.1 Other supplies

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

21 Trade and other receivables

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Trade receivables: | | | | |
| Third party sales | 2,261,863 | 14,321,302 | 2,030,737 | 2,070,277 |
| Related party sales | - | - | 2,623,593 | 204,722 |
| | 2,261,863 | 14,321,302 | 4,654,330 | 2,274,999 |
| Impairment on trade receivables (Note 21.2) | (274,048) | (764,220) | (87,972) | (149,573) |
| Net trade receivables | 1,987,815 | 13,557,082 | 4,566,359 | 2,125,426 |
| Other receivables | 3,448,023 | 5,950,565 | 3,277,567 | 4,608,588 |
| Due from related parties | 535,130 | 1,656,347 | 13,034,215 | 4,433,691 |
| | 3,983,153 | 7,606,912 | 16,311,782 | 9,042,279 |
| Net other receivables | 3,983,153 | 7,606,912 | 16,311,782 | 9,042,279 |
| Total trade and other receivables | 5,970,968 | 21,163,994 | 20,878,141 | 11,167,705 |

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21.2 Movement in impairment allowance on trade receivables

| | Group | | Company | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| At 1 January | 764,220 | 954,963 | 149,573 | 127,621 |
| Arising from deconsolidation of discontinued operation | (406,516) | | | |
| Impairment losses recognised | - | 74,325 | - | 44,834 |
| Impairment losses written back** | (59,660) | (234,758) | (61,602) | (22,882) |
| Reclassification from other receivables | (23,996) | - | - | - |
| Exchange difference | - | (30,310) | - | - |
| At closing | 274,048 | 764,220 | 87,972 | 149,573 |

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

22 Cash and cash equivalents

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Restricted cash | - | 1,077,794 | - | 1,077,794 |
| Cash in hand and at bank (Note 22.1) | 9,744,172 | 11,472,903 | 7,700,601 | 9,099,982 |
| Cash and cash equivalents in the statement of financial position | 9,744,172 | 12,550,697 | 7,700,601 | 10,177,776 |

22.1 Cash and cash equivalents in the statement of cash flows

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

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Cash in hand and at bank | 9,744,172 | 11,472,903 | 7,700,601 | 9,099,982 |
| Less: bank overdrafts | (692,039) | (35,280,945) | (692,039) | (16,862,345) |
| Cash and cash equivalents in the statement of cash flows | 9,052,133 | (23,808,042) | 7,008,562 | (7,762,363) |

23 Share capital and Share premium

23.1 Share capital

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Authorised: | | | | |
| 20,000,000,000 ordinary shares of 50k each (2017: 10,000,000,000 ordinary shares of 50k each) | 10,000,000 | 5,000,000 | 10,000,000 | 5,000,000 |

Issued and fully paid Ordinary shares of 50k each

| | No of shares '000 | Share capital N'000 |
|------------------------|----------------------|------------------------|
| | At 1 January 2019 | 8,673,429 |
| Issued during the year | 7,434,367 | 3,717,184 |
| At 30 Sept 2019 | 16,107,796 | 8,053,898 |
| At 1 January 2018 | 5,575,776 | 2,787,888 |
| Issued during the year | 3,097,653 | 1,548,827 |
| At 31 December 2018 | 8,673,429 | 4,336,715 |

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

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

23.2 Share premium

| | No of shares | Share premium |
|------------------------|-------------------|--------------------|
| | '000 | N'000 |
| At 1 January 2019 | 8,673,429 | 350,945,748 |
| Issued during the year | 7,434,367 | 85,495,222 |
| Right issue costs | (1,292,240) | (1,275,336) |
| At 30 Sept 2019 | 14,815,556 | 435,165,635 |
| At 1 January 2018 | 5,575,776 | 222,272,108 |
| Issued during the year | 3,097,653 | 128,673,640 |
| At 31 December 2018 | 8,673,429 | 350,945,748 |

24 Foreign currency translation reserve

This represents exchange differences arising from the translation of the financial statements of Lafarge South Africa to the Group's reporting currency which is Naira. As a result of disposal of parent's foreign subsidiary, the cumulated exchange differences on translation of foreign operation is hereby derecognised as at reporting date.

| | 30 Sept 2019 | 31 Dec 2018 |
|--|--------------|------------------|
| At 1 January 2019 | 9,325,158 | 9,896,540 |
| Movement during the period charged to OCI | 361,750 | (571,382) |
| Derecognition of exchange differences on translation | (9,686,908) | |
| At closing | - | 9,325,158 |

25 Other reserves arising on business combination and re-organisations

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

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

26 Loans and borrowings

| | Group | | Company | |
|-----------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Non-current | 55,625,359 | 172,373,209 | 46,836,744 | 144,391,743 |
| Current | 8,950,590 | 93,833,850 | 12,507,754 | 105,685,719 |
| Total loans and borrowings | 64,575,949 | 266,207,059 | 59,344,498 | 250,077,462 |
| Split into: | | | | |
| Power fund | 13,319,732 | 11,345,910 | 4,599,734 | 5,946,467 |
| Bond | 35,019,823 | 60,249,338 | 35,019,823 | 60,249,338 |
| Lease liabilities | 15,082,271 | - | 14,239,218 | - |
| Bank Loans | 1,154,123 | 53,884,892 | 1,083,954 | 53,884,893 |
| Related party loan | - | 140,411,911 | 4,401,769 | 129,996,764 |
| Lafarge Gypsum S.A Pty Ltd | - | 315,008 | - | - |
| Total loans and borrowings | 64,575,949 | 266,207,059 | 59,344,498 | 250,077,462 |

26.1 Movement in loans and borrowings

| | Group | | Company | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| At 1 January | 266,207,059 | 256,546,960 | 250,077,462 | 255,625,336 |
| Arising from deconsolidation of discontinued operation | (24,124,904) | - | - | - |
| Lease liabilities at January 1, 2019 | 21,133,783 | - | 20,001,064 | - |
| Additions: | | | | |
| Loan received | 5,358,703 | 99,712,346 | 2,500,000 | 81,266,692 |
| | 268,574,641 | 356,259,306 | 272,578,526 | 336,892,028 |
| Interest expensed | 17,068,937 | 29,602,641 | 16,591,598 | 28,673,150 |
| Interest paid | (7,371,293.32) | (30,435,129) | (6,722,088.44) | (28,065,325) |
| Interest paid- non cash | (8,399,478) | - | (8,399,478) | - |
| Principal repaid | (99,605,898) | (87,925,710) | (109,013,100) | (88,528,977) |
| Principal repaid-non cash | (105,690,960) | - | (105,690,960) | - |
| Reclassification | - | (1,536,599) | - | - |
| Exchange (gain) / loss | - | 242,550 | - | 1,106,586 |
| At closing | 64,575,949 | 266,207,059 | 59,344,498 | 250,077,462 |

27 Provisions

| | Group | | Company | |
|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Non current (Note 27.1) | 1,449,659 | 3,645,751 | 921,918 | 618,970 |
| Current (Note 27.2) | 1,190,409 | 1,281,247 | 1,009,637 | 845,328 |
| | 2,640,068 | 4,926,998 | 1,931,555 | 1,464,298 |

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| 27.1 Non current | Group | | Company | |
|--|--------------|-------------|--------------|-------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Site restoration cost | | | | |
| At 1 January | 3,645,751 | 3,472,388 | 618,970 | 909,320 |
| Arising from deconsolidation of discontinued operation | (2,585,216) | - | - | - |
| Provision made during the year | 529,885 | 468,368 | 368,461 | 26,034 |
| Utilised | (140,761) | (97,965) | (65,514) | (45,733) |
| Change in estimate | - | (669,948) | - | (520,923) |
| Reclassification | - | 126,429 | - | - |
| Unwinding of discount (Note12(b)) | - | 456,084 | - | 250,272 |
| Exchange difference | - | (109,605) | - | - |
| At closing | 1,449,659 | 3,645,751 | 921,917 | 618,970 |

| 27.2 Current | Group | Productivity | Total |
|--|-------|---------------------|--------------|
| | | bonus | |
| | | N'000 | N'000 |
| At 1 January 2018 | | 1,166,217 | 1,166,217 |
| Reclassification | | (427,126) | (427,126) |
| Provision made during the year | | 1,490,761 | 1,490,761 |
| Payment in the year | | (948,605) | (948,605) |
| Exchange differences | | - | - |
| At 31 December 2018 | | 1,281,247 | 1,281,247 |
| At 1 January 2019 | | 1,281,247 | 1,281,247 |
| Arising from deconsolidation of discontinued operation | | (97,267) | (97,267) |
| Reclassification | | (139,985) | (139,985) |
| Provision made during the year | | 1,486,687 | 1,486,687 |
| Payment in the year | | (1,340,273) | (1,340,273) |
| At 30 Sept 2019 | | 1,190,409 | 1,190,409 |
| Company | | Productivity | Total |
| | | bonus | |
| | | N'000 | N'000 |
| At January 2018 | | 895,268 | 895,268 |
| Provision made during the year | | 673,400 | 673,400 |
| Payment in the year | | (723,341) | (723,341) |
| At 31 December 2018 | | 845,327 | 845,327 |
| At January 2019 | | 845,327 | 845,327 |
| Provision made during the year | | 1,224,874 | 1,224,874 |
| Payment in the year | | (1,060,564) | (1,060,564) |
| At 30 Sept 2019 | | 1,009,637 | 1,009,637 |

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

| 28 Deferred income | Group | | Company | |
|--|--------------|-------------|--------------|-------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Non-current | 2,436,847 | 2,597,602 | 1,372,722 | 1,455,770 |
| Current | 555,925 | 315,452 | 110,732 | 110,732 |
| | 2,992,772 | 2,913,054 | 1,483,454 | 1,566,502 |
| | Group | Company | Group | Company |
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Opening balance | 2,913,054 | 1,629,199 | 1,566,502 | 1,629,199 |
| Arising from deconsolidation of discontinued operation | - | - | - | - |
| Addition | 187,633 | 1,536,599 | - | - |
| Impact of restructuring (Note 14.1) | - | (190,047) | - | - |
| Grant released to profit or loss (Note 10.2) | (107,915) | (62,697) | (83,048) | (62,697) |
| Closing balance | 2,992,772 | 2,913,054 | 1,483,454 | 1,566,502 |

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

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Notes to the Consolidated and Separate Financial Statements for the period ended 30 Sept 2019

29 Employee benefit obligations

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

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Non current | | | | |
| Employee long service award scheme (Note 29.1) | 1,695,129 | 1,412,777 | 1,369,229 | 1,137,419 |
| Staff gratuities | 516,770 | 3,316,406 | 516,768 | 473,992 |
| | 2,211,899 | 4,729,183 | 1,885,997 | 1,611,411 |

29.1 Employee long service award scheme

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

| | Group | | Company | |
|---|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Opening balance | 1,412,777 | 1,350,849 | 1,137,419 | 1,008,443 |
| Service cost | 131,589 | 165,387 | 110,276 | 132,043 |
| Interest cost (Note12b)) | 150,763 | 236,308 | 121,534 | 161,322 |
| Total amount recognised in profit or loss | 282,352 | 401,695 | 231,810 | 293,365 |

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Employee long service award scheme (cont'd) | | | | |
| Remeasurements: | | | | |
| Plan amendment | - | (56,551) | - | - |
| Loss from change in assumptions | - | (126,611) | - | (108,186) |
| Experience adjustment gains | - | 27,868 | - | 17,338 |
| Total amount recognised in profit or loss | - | (155,294) | - | (90,848) |
| Benefits paid | - | (184,473) | - | (73,541) |
| Closing balance | 1,695,129 | 1,412,777 | 1,369,229 | 1,137,419 |

30 Trade and other payables

Trade payables

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Trade payables | 23,123,050 | 29,289,814 | 18,890,632 | 15,027,354 |
| Related party - technical service fee | 11,656,627 | 13,560,223 | 10,554,182 | 9,039,281 |
| | 34,779,677 | 42,850,037 | 29,444,814 | 24,066,635 |
| Other payables: | | | | |
| Customers' deposits | 2,664,112 | 3,639,077 | 1,771,929 | 3,209,782 |
| Related companies | 2,204,160 | 7,927,401 | 15,401,711 | 5,561,294 |
| Employee provisions and other liabilities | 116,419 | 666,664 | 116,419 | 340,368 |
| Accruals | 9,455,630 | 11,279,954 | 8,079,337 | 5,103,032 |
| Other payables | 7,171,244 | 6,845,195 | 6,773,513 | 4,834,473 |
| Dividend payable (Note 30.2) | - | 4,220,596 | - | 4,220,596 |
| | 21,611,565 | 37,687,780 | 32,142,909 | 25,854,544 |
| | 56,391,242 | 80,537,817 | 61,587,723 | 49,921,179 |

30.1 LafargeHolcim Technical service fees

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

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

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30.2 Dividend payable

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| At 1 January | 4,220,596 | 3,152,627 | 4,220,596 | 3,152,627 |
| Dividend declared | - | 13,010,143 | - | 13,010,143 |
| Payment to the equity holders of the parent | (4,220,596) | (11,845,272) | (4,220,596) | (11,845,272) |
| Return to registrar | - | (219,269) | - | (219,269) |
| Dividend to be (paid to)/refunded by registrars | - | 122,367 | - | 122,367 |
| At Closing | - | 4,220,596 | - | 4,220,596 |

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

30.3 Dividend paid

The following dividend were approved by the shareholders and subsequently paid during the year:

| | Group | | Company | |
|----------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Lafarge Africa Plc | 4,220,596 | 11,845,272 | 4,220,596 | 11,845,272 |
| Paid to Non Controlling Interest | - | - | - | - |
| Total | 4,220,596 | 11,845,272 | 4,220,596 | 11,845,272 |

31 Additional cash flow information

31.1 Working capital adjustments:

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Increase in inventories | (1,379,183) | 4,536,194 | (3,334,034) | 4,773,898 |
| Increase in trade and other receivables | (3,398,678) | 5,156,873 | (12,394,054) | 5,751,744 |
| Increase in other assets | (9,766,048) | 8,699,036 | (9,768,518) | 1,928,892 |
| (Increase)/decrease in other financial assets | (4,282) | (266,944) | (874,428) | 143,634 |
| (Decrease)/increase in trade and other payables | 1,763,097 | (34,256,124) | 14,920,138 | (21,356,428) |
| | (12,785,094) | (16,130,965) | (11,450,896) | (8,758,260) |

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

| | Group | | Company | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Movement in inventories | 5,287,759 | 11,109,945 | (6,104,176) | 10,136,364 |
| Arising from deconsolidation of discontinued operation | (11,281,213) | - | - | - |
| Reclassification to Property, plant and equipment (Note15.2) | 4,614,271 | (6,573,751) | 2,770,142 | (5,362,466) |
| Movement as per cash flow | (1,379,183) | 4,536,194 | (3,334,034) | 4,773,898 |

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

| | Group | | Company | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 | 30 Sept 2019 N'000 | 31 Dec 2018 N'000 |
| Movement in trade and other receivables | 15,193,026 | 3,946,122 | (9,710,436) | 4,763,265 |
| Arising from deconsolidation of discontinued operation | (15,870,481) | - | - | - |
| Utilised against finance lease liabilities | (2,745,219) | - | (2,745,219) | - |
| Reclassification of Impairment provision on trade receivables (Note 21.2) | 23,996 | (74,325) | 61,602 | (44,834) |
| WHT utilised | - | 44,025 | - | - |
| Interest receivable | - | 538,667 | - | 330,929 |
| 2018 Rights issue cost recorded in prepayment | - | 702,384 | - | 702,384 |
| Movement as per cash flow | (3,398,678) | 5,156,873 | (12,394,054) | 5,751,744 |

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

| | Group | | Company | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Movement in other assets | (5,450,094) | 8,699,036 | (5,955,988) | 1,928,892 |
| Arising from deconsolidation of discontinued operation | (503,424) | - | - | - |
| Transfer to finance lease liabilities | (3,812,530) | - | (3,812,530) | - |
| Movement as per cash flow | (9,766,048) | 8,699,036 | (9,768,518) | 1,928,892 |

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

| | Group | | Company | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Movement in other financial assets | 526,258 | (266,944) | (874,428) | 143,634 |
| Arising from deconsolidation of discontinued operation | (530,540) | - | - | - |
| Movement as per cash flow | (4,282) | (266,944) | (874,428) | 143,634 |

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

| | Group | | Company | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Movement in trade and other payables | (24,146,575) | (32,462,363) | 11,666,544 | (20,008,875) |
| Arising from deconsolidation of discontinued operation | 23,303,729 | - | - | - |
| Reclassification of dividend payable | 4,220,596 | (1,164,871) | 4,220,596 | (1,164,871) |
| Utilized as part of disposal proceed of LSAH | (17,083) | - | - | - |
| Accruals on Property plant and Equipment (Note 14) | (1,597,569) | - | (967,002) | - |
| Right issue cost paid during the year | - | 658,638 | - | 658,638 |
| Reclassification from Current income tax liabilities | - | (1,287,527) | - | (841,319) |
| Movement as per cash flow | 1,763,097 | (34,256,123) | 14,920,138 | (21,356,427) |

31.1.6 Provisions and net movement on employee benefit

| | Group | | Company | |
|---|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Retirement benefit obligations - service cost | - | (52,044) | - | (85,810) |
| Retirement benefit obligations - Plan amendment/curtailment | - | 85,656 | - | - |
| Long service awards - Plan amendment/curtailment | - | (56,551) | - | - |
| Employee Long Service Award - service cost | 131,589 | 165,387 | 110,276 | 132,043 |
| Employee profit share scheme payment | - | - | - | - |
| Productivity bonus payment | (1,340,273) | (948,605) | (1,060,564) | (723,340) |
| Staff gratuity benefits paid | - | (208,876) | - | (69,686) |
| Employee Long service award benefits paid | - | (184,473) | - | (73,541) |
| Remeasurement (gains) / losses – Long service awards | - | (98,743) | - | (90,848) |
| Provision for productivity bonus for the year | 1,346,702 | 1,063,635 | 1,224,874 | 673,400 |
| | 138,018 | (234,614) | 274,586 | (237,782) |

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

| | Group | | Company | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Proceeds on disposal | 152,280 | 969,990 | - | 931,931 |
| Net book value of property, plant and equipment disposed | (124,469) | (33,664) | - | (5,309) |
| Profit on sale of property, plant and equipment | 27,811 | 936,326 | - | 926,622 |

31.3 Other non cash items

| | Group | | Company | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 Sept 2019 | 31 Dec 2018 | 30 Sept 2019 | 31 Dec 2018 |
| | N'000 | N'000 | N'000 | N'000 |
| Write offs for Property, plant and equipment | - | 1,037,955 | - | 377,803 |
| Gain on sale of property plant and equipment | (32,689) | (936,326) | - | (926,622) |
| Impairment provision/(write back) on trade receivables | (23,996) | 74,325 | (61,602) | 44,834 |
| Movement in site restoration cost | 389,124 | (173,116) | 302,947 | (540,622) |
| Government grants | (107,915) | (62,697) | (83,048) | (62,697) |
| | 224,524 | (59,859) | 158,298 | (1,107,304) |