



BUACEMENTPLC

# Unaudited Financial Statements

FOR THE THREE MONTHS  
AND NINE MONTHS ENDED  
30TH SEPTEMBER 2020





# BUA Cement

## Nigeria's Cement Maker of Choice

...the King of Strength



Widely acknowledged for our commitment to quality and the best cement products, our BUA Cement and Sokoto Cement range of products are the market leaders in strength and durability.

**BUA Cement... The King of Strength**

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BUA Cement and Sokoto Cement are manufactured by BUA Cement Plc

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# Unaudited Financial Statements

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AND NINE MONTHS ENDED  
30TH SEPTEMBER 2020



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## Statement of Significant Accounting Policies

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

### 1. BASIS OF PREPARATION

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

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

### 2. REVENUE

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

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

The four steps recognition process for revenue is listed below:

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

### 3. COST OF GOODS SOLD

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

### 4. SELLING AND DISTRIBUTION EXPENSES

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

### 5. FOREIGN CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The functional

## Statement of Significant Accounting Policies cont'd

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

### 6. FINANCIAL INSTRUMENTS

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

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

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

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

#### Subsequent measurement

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

##### i. Trade and Other Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in

## Statement of Significant Accounting Policies cont'd

a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income.

On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### ii. Cash and Cash Equivalents

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

### Impairment of financial assets carried at amortised cost

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

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

### Financial liabilities

These include the following items:

#### i. Bank borrowings

Bank borrowings are initially recognized at fair value, net of any transaction costs incurred.

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

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

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

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

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



## Statement of Significant Accounting Policies cont'd

### **Fair value**

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. When such valuation models with only observable market data as inputs or the comparison with other observable current market transactions in the same instrument indicate that the fair value differs from the transaction price, the initial difference will be recognised in the profit or loss immediately. The company does not have any financial instruments (Derivatives etc.) that warrant such valuation method.

### **Derecognition of financial instruments**

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

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

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

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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

## **7. RETIREMENT BENEFITS:**

The Company operates two defined benefit scheme for its employees: Defined Contribution Scheme and Defined Benefit Scheme.

Defined pension contribution plan is based on a percentage of pensionable earnings funded through

## Statement of Significant Accounting Policies cont'd

contributions from Company (10%) and employees (8%). The fund administered by Pension Fund Administrators. Contributions to this plan are recognised as an expense in the profit or loss in the periods during which services are rendered by employees.

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

### 8. INTANGIBLE ASSETS

#### Licences

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

#### Software

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

#### Exploration assets

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

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

	Useful life (years)
Licenses	2-5
Software	3

### 9. CURRENT TAXATION

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

### 10. DEFERRED TAXATION

Deferred tax is recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be

## Statement of Significant Accounting Policies cont'd

utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

### 11. DIVIDENDS

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

### 12. PROPERTY, PLANT AND EQUIPMENT

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

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

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

	<b>Useful life(years)</b>
Land	Not depreciable
Quarry Equipment	6 - 25
Buildings	30-50
Plant and Machinery	3 - 40
Furniture and Fittings	5
Tools and Laboratory equipment	5
Trucks	4
Computer and Office Equipments	5
Motor vehicles	4
Construction Work in Progress	Nil

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

## Statement of Significant Accounting Policies cont'd

The recoverable amount is the higher of the estimated selling price in the ordinary course of business less cost to sell and value in use. Impairment losses and reversal of previously recognised impairment losses are recognised within administrative expenses in profit or loss.

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

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

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

### 13. INVENTORIES

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

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

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

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

### 14. RELATED PARTY DISCLOSURES

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

## Statement of Significant Accounting Policies cont'd

Related parties include:

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

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

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

### 15. BASIC EARNINGS PER SHARE

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

### 16. PROVISIONS

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

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

### 17. BORROWING COSTS CAPITALISED

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

### 18. RIGHT OF USE ASSET

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

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

### 19. LEASES

The company primarily leases building used as offices and warehouse. The lease terms are typically

## Statement of Significant Accounting Policies cont'd

for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts them as a single lease component.

Lease terms are negotiated on an individual basis and contain different terms and conditions including expansion and termination options. The lease agreement do not impose any covenants however, leased assets may not be used as security for borrowing purposes.

### **20. SEGMENT REPORTING**

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

### **21. COMPARATIVE FIGURES**

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

### **22. SECURITIES TRADING POLICY**

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

# Statement of Profit or Loss and Other Comprehensive Income

## FOR THE NINE MONTHS ENDED

	Notes	30th September 2020 =N=	Unaudited 30th September 2019 =N=
Revenue	2	156,550,012,846	129,429,280,192
Cost of Sales	6a	(84,820,040,807)	(66,306,364,371)
<b>Gross Profit</b>		<b>71,729,972,039</b>	<b>63,122,915,821</b>
Other Income	3	6,142,022,383	5,224,990,363
Selling and Distribution Costs	5	(9,679,594,608)	(8,340,556,429)
Administrative Expenses	6b	(7,034,358,188)	(6,102,724,244)
Impairment writeback		1,199,095,464	
Operating Profit		62,357,137,090	53,904,625,511
Net Finance Costs	4	(2,873,534,840)	(3,718,827,655)
<b>Profit Before Income Taxes</b>		<b>59,483,602,250</b>	<b>50,185,797,856</b>
Income tax(charge)/credit	20a	(5,916,353,013)	(6,932,463,611)
<b>Profit After Income Taxes</b>		<b>53,567,249,237</b>	<b>43,253,334,245</b>
<b>Other Comprehensive Income:</b>		-	-
<b>Total Comprehensive Income</b>		<b>53,567,249,237</b>	<b>43,253,334,245</b>
<b>Basic Earnings Per Share (Kobo)</b>	15	<b>158</b>	<b>128</b>

# Statement of Profit or Loss and Other Comprehensive Income

## FOR THE THREE MONTHS ENDED

	Notes	30th September 2020 =N=	Unaudited 30th September 2019 =N=
Revenue		55,288,611,508	39,570,295,644
Cost of Sales		(30,301,811,026)	(20,737,792,333)
<b>Gross Profit</b>		<b>24,986,800,482</b>	<b>18,832,503,311</b>
Other Income		2,128,318,209	1,788,659,000
Selling and Distribution Costs		(3,284,878,569)	(2,527,981,203)
Administrative Expenses		(2,281,836,841)	(2,126,720,457)
Impairment writeback		-	-
Operating Profit		21,548,403,281	15,966,460,651
Finance Costs		(1,229,524,394)	(1,438,874,294)
<b>Profit Before Income Taxes</b>		<b>20,318,878,887</b>	<b>14,527,586,357</b>
Income tax(charge)/credit		(1,570,903,402)	(1,884,205,761)
<b>Profit After Income Taxes</b>		<b>18,747,975,485</b>	<b>12,643,380,596</b>
<b>Other Comprehensive Income:</b>			
<b>Total Comprehensive Income</b>		<b>18,747,975,485</b>	<b>12,643,380,596</b>
<b>Basic Earnings Per Share (Kobo)</b>	<b>15</b>	<b>55</b>	<b>37</b>

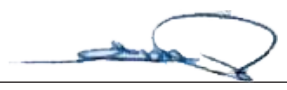


# Statement of Financial Position

		30th September 2020 =N=	Audited 31st December 2019 =N=
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipments	10	508,708,737,080	393,406,271,000
Right of Use Assets	7a	38,227,896	76,503,000
Intangible Assets	11	3,739,660,916	2,781,915,000
Deferred Tax Assets	20b		4,648,588,000
<b>Total Non-Current Assets</b>		<b>512,486,625,892</b>	<b>400,913,277,000</b>
<b>CURRENT ASSETS</b>			
Inventories	8	27,148,075,612	27,201,580,000
Due from Related Company	19.1	326,867,762	16,753,850,000
Trade and other receivables	9	4,843,596,977	2,618,935,000
Cash and Short Term Deposits	12	76,588,600,720	15,586,664,000
Total Current Assets		108,907,141,071	62,161,029,000
<b>TOTAL ASSETS</b>		<b>621,393,766,963</b>	<b>463,074,306,000</b>
<b>EQUITY</b>			
Share Capital	13	16,932,177,000	16,932,177,000
Retained Earnings		200,401,037,237	146,833,788,000
Reorganization Reserve	13.2	200,004,179,000	200,004,179,000
Other Reserves			
Actuarial Reserves	13.3	(72,902,000)	(72,902,000)
<b>Total Equity</b>		<b>417,264,491,237</b>	<b>363,697,242,000</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowing	14a	26,000,000,000	
Deferred Income Tax Liabilities	20c	673,401,683	
Employee Benefit Liability	16	2,807,440,479	2,908,526,000
<b>Total Non-Current Liabilities</b>		<b>29,480,842,162</b>	<b>2,908,526,000</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	17	54,556,143,150	69,210,803,000
Due to Related Companies	19.2	106,995,615,671	918,741,000
Income Tax Liability	20b	663,718,525	813,724,000
Short Term Borrowings	14b	7,620,862,086	21,423,504,000
Lease liability	7b	12,738,516	48,352,000
Deferred Revenue		-	5,701,000
Decommission Liability	18	4,799,355,616	4,047,713,000
Total Current Liabilities		174,648,433,564	96,468,538,000
Total Liabilities		204,129,275,726	99,377,064,000
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>621,393,766,963</b>	<b>463,074,306,000</b>

The financial statements and notes on pages 8 to 24 were approved by the Board of Directors on 21st October, 2020 and signed on its behalf by:

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

  
**Mr Chikezie Ajaero**  
 Finance Director  
 FRC/2014/ICAN/00000010408

## Statement of Changes in Equity (Unaudited)

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2020

	Share Capital	Reorganization Reserve	Reserve On Actuarial Valuation of Defined Benefit Plan	Retained Earnings	Total Equity
	=N=	=N=		=N=	=N=
<b>Balance at 1 January 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>146,833,788,000</b>	<b>363,697,242,000</b>
Merger Shares	-	-	-	-	-
Profit for the period	-	-	-	53,567,249,237	53,567,249,237
Other comprehensive income for the period	-	-	-	-	-
<b>Transactions with owners</b>					
Dividend	-	-	-	-	-
<b>Balance at 30 Sept, 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>200,401,037,237</b>	<b>417,264,491,237</b>
<b>Balance at 1 January 2019</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>194,926,000</b>	<b>91,480,902,000</b>	<b>308,612,184,000</b>
Profit for the period	-	-	-	60,610,286,000	60,610,286,000
Other comprehensive income for the period	-	-	(267,828,000)	-	(267,828,000)
<b>Transactions with owners</b>					
Issue of shares for business combination	-	-	-	-	-
Dividend paid	-	-	-	(5,257,400,000)	(5,257,400,000)
<b>Balance at 31 Dec., 2019</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>146,833,788,000</b>	<b>363,697,242,000</b>

## Statement of Changes in Equity (Unaudited)

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER, 2020

	Share Capital	Reorganization Reserve	Reserve On Actuarial Valuation of Defined Benefit Plan	Retained Earnings	Total Equity
	=N=	=N=		=N=	=N=
<b>Balance at 1 July 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>181,653,061,752</b>	<b>398,516,515,752</b>
Merger Shares	-				-
Profit for the period	-	-	-	18,747,975,485	18,747,975,485
Other comprehensive income for the period	-	-	-	-	-
<b>Transactions with owners</b>					
Dividend	-	-	-	-	-
<b>Balance at 30 September, 2020</b>	<b>16,932,177,000</b>	<b>200,004,179,000</b>	<b>(72,902,000)</b>	<b>200,401,037,237</b>	<b>417,264,491,237</b>

# Statement of Cash Flows

## FOR THE NINE MONTHS ENDED

	30th September 2020	Audited 31st December 2019
<b>Cash Flows From Operating Activities</b>		
Profit before income taxes	59,483,602,250	66,235,964,000
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and impairment of property, plant and equipment	11,344,344,696	13,946,325,000
Amortisation and impairment of intangible assets	154,699,296	147,968,000
Write off of Intangible assets		12,477,000
Unrealised foreign exchange losses		183,227,000
Net impairment gain/loss on financial asset		(3,758,227,000)
Net Finance Cost		5,192,054,000
Interest	3,056,463,118	-
Profit/loss on disposal of Property, plant & equipment	-	(253,000)
Depreciation of right of use asset	38,275,121	37,771,000
Decommissioning Liability- Unwinding of discount	57,519,988	
Provision for end of service benefit obligation		390,955,000
<b>Operating profit before working capital changes</b>	<b>74,134,904,469</b>	<b>82,388,261,000</b>
<b>Working Capital Adjustments:</b>		
(Increase)/Decrease in trade and other receivables	(2,224,661,977)	(185,359,000)
(Increase)/Decrease in inventories	53,504,388	(6,268,381,000)
(Increase)/Decrease in due from related parties	16,426,982,238	51,623,522,000
Increase/(decrease) in due to related parties	106,076,874,671	(125,665,738,000)
Increase in prepayment (right of use asset)		(76,503,000)
Increase/(Decrease) in trade and other payables	(14,654,659,850)	2,054,932,000
Increase in contract liabilities		24,932,114,000
Decrease in deferred income	(5,701,000)	(26,287,000)
Increase/(Decrease) in provisions	7,200,000	-
Increase/(Decrease) in End of Service Benefit	-	-
<b>Cash generated from operations</b>	<b>179,814,442,939</b>	<b>28,776,561,000</b>
<b>Defined benefit paid during the year</b>	<b>(101,085,521)</b>	<b>(66,821,000)</b>
<b>Interest received</b>		<b>100,340,000</b>
<b>Interest paid</b>		<b>(432,317,000)</b>
Tax paid	(744,368,805)	(1,919,290,000)
<b>Net cash flow from operating activities</b>	<b>178,968,988,613</b>	<b>26,458,473,000</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(125,959,888,165)	(22,793,734,000)
Intangible assets	(1,112,445,212)	(460,335,000)
Fixed Assets Transfer		
Proceeds from disposal (Noncurrent assets & scrap)		259,000
<b>Net cash flows used in investing activities</b>	<b>(127,072,333,377)</b>	<b>(23,253,810,000)</b>
<b>Financing Activities</b>		
Lease Liabilities payment	(35,613,484)	(5,394,000)
Dividend paid to equity holders	-	(5,257,400,000)
Interest Paid	(3,056,463,118)	-
Loan Received	26,000,000,000	57,299,074,000
Interest repayment on borrowing		(2,478,445,000)
Repayment of borrowings	(13,802,641,914)	(39,905,311,000)
<b>Net cash flows used in financing activities</b>	<b>9,105,281,484</b>	<b>9,652,524,000</b>
Net increase in cash and cash equivalents	61,001,936,720	12,857,187,000
Cash and cash equivalents at Beginning	15,586,664,000	2,713,051,000
Effect on exchange rate difference		16,426,000
<b>Cash and cash equivalents at End (Note 7)</b>	<b>76,588,600,720</b>	<b>15,586,664,000</b>

# Notes to the Financial Statements

## FOR THE PERIOD ENDED 30TH SEPTEMBER 2020

	30 September, 2020 =N=	30 September, 2019 =N=
<b>2. NET REVENUE</b>		
Sale of Cement	156,550,012,846	129,429,280,187
Sale of Cement	156,550,012,846	129,429,280,187
<b>3. OTHER INCOME</b>		
Haulage income on goods delivery	-	
Sundry income	6,049,579,470	5,224,127,690
Insurance claim	66,411,206	673,211
Reimbursements received from customer for haulage cost		
Sales of scrap	189,462	
Realisation account	138,923	
Recovery of Excess tax charge	-	
Gain on remeasurement of identifiable assets		
Amortisation of deferred income	25,892,784	
Profit on disposal of property, plant and equipment	-	
	<b>6,142,022,383</b>	<b>5,224,990,363</b>
<b>4. NET FINANCE COST</b>		
Interest on loans	3,113,983,106	3,881,082,187
Interest Received	(233,802,250)	(96,629,121)
Interest on EOSB	(6,646,016)	(65,625,411)
	<b>2,873,534,840</b>	<b>3,718,827,655</b>
<b>5. SELLING &amp; DISTRIBUTION COSTS</b>		
Included in selling and distribution cost:		
Marketing Expenses & Other Overheads	57,121,750	47,788,700
Distribution Costs	9,018,402,046	8,115,308,353
Salaries, Wages & Benefits	604,070,815	377,459,376
	<b>9,679,594,611</b>	<b>8,540,556,429</b>
<b>6. MAJOR COMPONENT OF COST OF SALES &amp; ADMIN. EXPENSES</b>		
<b>6a Major items of Direct cost of sales include the following:</b>		
Depreciation (Factory)	9,565,312,351	8,891,709,938
Repairs & Maintenance	3,166,060,284	2,151,305,694
Energy cost	34,390,594,964	27,944,681,360

## Notes to the Financial Statements for the Period Ended 30th September 2020

	30 September, 2020 =N=	30 December, 2019 =N=
<b>6b. Major items of administrative expenses deducted before arriving at the</b>		
Profit before taxation:		
Depreciation (Admin.)	1,971,807,591	1,469,097,338
Salaries, Wages & Benefits (Including pension and retirement benefits)	894,327,067	555,802,453
Technical & Management fees	1,469,927,655	1,248,522,009
Auditors Fees	70,489,000	10,837,987
Board of Directors' expenses	156,198,922	164,115,241
<b>7a. RIGHTS OF USE ASSET</b>		
Building leases	76,503,017	8,378,000
Additions	-	105,896,000
Depreciation of ROU	(38,275,121)	(37,771,000)
Balance at end of period	<u>38,227,896</u>	<u>76,503,000</u>
<b>7b. LEASES LIABILITIES</b>		
Opening balance	48,352,000	6,298,000
Additions		41,621,000
Interest expense	2,739,564	5,827,000
Payments	(38,353,048)	(5,394,000)
	<u>12,738,516</u>	<u>48,352,000</u>
<b>8. INVENTORIES</b>		
Fuel	2,343,730,621	2,214,732,000
Engineering Spares	10,768,208,958	7,689,001,000
Packing materials	-	407,210,000
Raw materials	8,477,617,186	9,995,991,000
Goods in transit	3,543,288,059	1,324,121,000
Work in progress	1,789,296,574	5,003,527,000
Finished goods	225,934,214	566,998,000
	<u>27,148,075,612</u>	<u>27,201,580,000</u>
There is no amount of write-down of inventories recognised as an expense during the period.		
None of the inventories of the company were pledged as security for loans as at the reporting date.		
<b>9. TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	521,530,158	349,445,000
Advance to Suppliers	3,145,256,113	1,179,265,361
Prepayments	1,184,102,912	1,226,858,000
Deposit for assets	-	-
Advance to staff	52,275,635	11,441,000
Other receivables	330,736,389	242,290,000
Less Impairment	(390,304,230)	(390,364,361)
	<u>4,843,596,977</u>	<u>2,618,935,000</u>

Notes to the Financial Statements for the Period Ended 30th September 2020

10. PROPERTY, PLANT & EQUIPMENT

	LAND	BUILDING	PLANT & MACHINERY	FURNITURE & FITTINGS	QUARRY EQUIPMENTS	TOOLS, COMPUTERS, LABORATORY, OFFICE EQUIPMENTS	MOTOR VEHICLE	TRUCKS	CAPITAL WORK IN PROGRESS	TOTAL
COST / VALUATION	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Balance at 1 January 2020	264,019,000	59,024,054,000	353,667,730,000	443,548,000	4,824,960,000	1,172,769,000	1,212,605,000	8,693,067,000	143,722,000	429,446,474,000
Addition	87,479,980	109,268,042	2,673,231,157	58,583,200		64,589,710	166,543,000	-	122,800,194,639	125,959,889,728
Disposals/Transfer	-	-	-	-		-	-	-	-	-
Impairments	-	-	-	-		-	-	-	-	-
Changes in Estimates					686,923,000					686,923,000
<b>Balance at 30 Sept 2020</b>	<b>351,498,980</b>	<b>59,133,322,042</b>	<b>356,340,961,157</b>	<b>502,131,200</b>	<b>5,511,883,000</b>	<b>1,237,358,710</b>	<b>1,379,148,000</b>	<b>8,693,067,000</b>	<b>122,943,916,639</b>	<b>556,093,286,728</b>
Balance at 1 January 2019	214,372,000	31,750,670,000	311,196,272,000	366,709,000	4,756,970,000	984,856,000	925,005,000	2,443,067,000	57,240,138,000	409,878,059,000
Addition	36,226,000	1,217,242,000	1,407,936,000	76,984,000	1,176,404,000	187,270,000	291,578,000	6,250,000,000	12,845,978,000	23,489,618,000
Transfers	13,421,000	26,056,142,000	43,872,188,000			643,000			(69,942,394,000)	-
Reclassification	-	-	(2,808,666,000)	(145,000)	(1,529,315,000)	-	-	-	-	(4,338,126,000)
Disposals	-	-	-	-	-	-	(3,978,000)	-	-	(3,978,000)
Changes in Estimates					420,901,000					420,901,000
Impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>264,019,000</b>	<b>59,024,054,000</b>	<b>353,667,730,000</b>	<b>443,548,000</b>	<b>4,824,960,000</b>	<b>1,172,769,000</b>	<b>1,212,605,000</b>	<b>8,693,067,000</b>	<b>143,722,000</b>	<b>429,446,474,000</b>
<b>ACCUMULATED DEPRECIATION</b>										
<b>Balance at 1 January 2020</b>	-	3,212,639,952	27,741,645,000	266,095,000	1,563,082,000	534,215,000	655,394,000	2,067,134,000	-	36,040,204,952
Charge for the period	-	865,119,627	8,053,046,392	30,732,837	585,421,000	67,510,921	112,564,622	1,629,949,297	-	11,344,344,696
Disposals	-	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 Sept 2020</b>	<b>-</b>	<b>4,077,759,579</b>	<b>35,794,691,392</b>	<b>296,827,837</b>	<b>2,148,503,000</b>	<b>601,725,921</b>	<b>767,958,622</b>	<b>3,697,083,297</b>	<b>-</b>	<b>47,384,549,648</b>
<b>Balance at 1 January 2019</b>	<b>-</b>	<b>2,159,395,000</b>	<b>17,654,740,000</b>	<b>234,677,000</b>	<b>1,104,551,000</b>	<b>458,896,000</b>	<b>519,866,000</b>	<b>310,535,000</b>	<b>-</b>	<b>22,442,660,000</b>
Charge for the period	-	1,053,244,952	10,360,930,000	31,418,000	529,310,000	75,319,000	139,506,000	1,756,599,000	-	13,946,326,952
Reclassification	-	-	(274,025,000)	-	(70,779,000)	-	-	-	-	(344,804,000)
Disposals	-	-	-	-	-	-	(3,978,000)	-	-	(3,978,000)
Impairments	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>-</b>	<b>3,212,639,952</b>	<b>27,741,645,000</b>	<b>266,095,000</b>	<b>1,563,082,000</b>	<b>534,215,000</b>	<b>655,394,000</b>	<b>2,067,134,000</b>	<b>-</b>	<b>36,040,204,952</b>
<b>NET BOOK VALUE</b>										
<b>Balance at 30 Sept 2020</b>	<b>351,498,980</b>	<b>55,055,562,463</b>	<b>320,546,269,765</b>	<b>205,303,363</b>	<b>3,363,380,000</b>	<b>635,632,789</b>	<b>611,189,378</b>	<b>4,995,983,703</b>	<b>122,943,916,639</b>	<b>508,708,737,080</b>
<b>Balance at 31 December 2019</b>	<b>264,019,000</b>	<b>55,811,414,048</b>	<b>325,926,085,000</b>	<b>177,453,000</b>	<b>3,261,878,000</b>	<b>638,554,000</b>	<b>557,211,000</b>	<b>6,625,933,000</b>	<b>143,722,000</b>	<b>393,406,269,048</b>

## Notes to the Financial Statements for the Period Ended 30th September 2020

30 September, 2020  
=N=

30 December, 2019  
=N=

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

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

Included in Quarry Equipment is cost relating to restoration of quarry site being mined by the company as at 30 September 2020.

**10.2 Depreciation charged during the period are included in:**

Cost of Sales	9,410,613,055	11,828,417,915
Administrative Expenses	1,933,731,641	2,113,931,037
	<b>11,344,344,696</b>	<b>13,942,348,952</b>

**11. INTANGIBLE ASSETS**

	LICENSES =N=	EXPLORATION ASSET =N=	SOFTWARE =N=	TOTAL =N=
<b>Cost</b>				
<b>Balance at 1 January 2020</b>	3,025,000	3,060,885,000	67,514,000	3,131,424,000
Addition	-	1,102,178,832	10,266,380	1,112,445,212
Disposals	-	-		
<b>Balance at 30 September 2020</b>	<b>3,025,000</b>	<b>4,163,063,832</b>	<b>77,780,380</b>	<b>4,243,869,212</b>
<b>Balance at 1 January 2019</b>	3,025,000	1,135,077,000	29,030,000	1,167,132,000
Addition	-	396,493,000	63,842,000	460,335,000
Reclassification	-	1,529,315,000		1,529,315,000
Write offs			(25,358,000)	(25,358,000)
<b>Balance at 31 December 2019</b>	<b>3,025,000</b>	<b>3,060,885,000</b>	<b>67,514,000</b>	<b>3,131,424,000</b>
<b>Amortisation</b>				
<b>Balance at 1 January 2020</b>	3,025,000	337,673,000	8,811,000	349,509,000
Amortisation	-	154,499,110	200,186	154,699,296
<b>Balance at 30 September 2020</b>	<b>3,025,000</b>	<b>492,172,110</b>	<b>9,011,186</b>	<b>504,208,296</b>
<b>Balance at 1 January 2019</b>	3,025,000	119,144,000	21,474,000	143,643,000
Amortisation	-	147,750,000	218,000	147,968,000
Reclassification		70,779,000		70,779,000
Write Offs			(12,881,000)	(12,881,000)
<b>Balance at 31 December 2019</b>	<b>3,025,000</b>	<b>337,673,000</b>	<b>8,811,000</b>	<b>349,509,000</b>
<b>NET BOOK VALUE</b>				
<b>Balance at 30 September 2020</b>	<b>-</b>	<b>3,670,891,722</b>	<b>68,769,194</b>	<b>3,739,660,916</b>
<b>Balance at 31 December 2019</b>	<b>-</b>	<b>2,723,212,000</b>	<b>58,703,000</b>	<b>2,781,915,000</b>

Intangible assets represent cost of quarry deposits, software license.

**Software License**

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



## Notes to the Financial Statements for the Period Ended 30th September 2020

	30 September, 2020 =N=	30 December, 2019 =N=
<b>12. CASH AND SHORT TERM DEPOSITS</b>		
Cash in hand	56,279,000	65,157,000
Cash in Bank	18,568,200,710	13,493,480,000
Fixed deposit	57,540,585,538	1,608,595,000
Unclaimed dividend	423,535,472	419,432,000
	<b>76,588,600,720</b>	<b>15,586,664,000</b>

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not pledged part of its short-term deposits in order to fulfil collateral requirements with any Banks. Cash and Bank equivalent is exclusive of overdraft balance.

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

Cash in Hand	56,279,000	65,157,000
Cash in bank	18,991,736,182	13,912,912,000
Fixed deposit	57,540,585,538	1,608,595,000
	<b>76,588,600,720</b>	<b>15,586,664,000</b>

**13. SHARE CAPITAL****13.1a Authorised**

40,000,000,000 Ordinary shares of 50k each	<b>20,000,000,000</b>	<b>20,000,000,000</b>
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**13.1b Issued and fully paid**

33,864,354,864 Ordinary shares of 50k each	<b>16,932,177,432</b>	<b>16,932,177,432</b>
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**13.1c Share Capital**

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

**13.2. Reorganization Reserve**

	30 September, 2020 =N=	31 December, 2019 =N=
At the beginning and at the end of the period	200,004,179,000	200,004,179,000

**13.3. OTHER RESERVES****Reserve on Actuarial Valuation of Defined Benefit Plan**

Balance at the beginning of the year	194,926,000	194,926,000
Actuarial gain/(loss) on defined benefit plan	(267,828,000)	(267,828,000)
Actuarial gain/(loss) on planned assets during the year	-	-
Balance at the end of the year	(72,902,000)	(72,902,000)

## Notes to the Financial Statements for the Period Ended 30th September 2020

	30 September, 2020 =N=	30 December, 2019 =N=
<b>14. BORROWINGS</b>		
<b>14a. Long Term</b>		
Bank loan	26,000,000,000	
<b>14b. Short term facilities</b>		
Short term Loan	7,620,862,044	20,861,438,000
Overdraft		562,066,000
Total Short term facilities	<u>7,620,862,044</u>	<u>21,423,504,000</u>
<b>Total Borrowings</b>	<u><u>33,620,862,044</u></u>	<u><u>21,423,504,000</u></u>

The above borrowings are further classified based on average interest rate, maturity and provider of funds:

	Average Interest Rate	Maturity	=N=	=N=
Bank of Industry - Term loan (Note 20b)	10%	31 March 2020	-	167,534,000
Union Bank LC Finance			3,416,789,488	
First bank - Import Finance facility			4,204,072,556	
First bank - Bank overdraft	13%	31 May 2021	-	562,066,000
First bank - Stock Replacement Facility	13%	31 May 2021	-	11,013,842,000
First bank - Term loan	13%	30 June 2024	26,000,000,000	9,680,062,000
			<u><b>33,620,862,044</b></u>	<u><b>21,423,504,000</b></u>

Movement in borrowings are analysed as follows:

**Period Ended 30 September 2020**

Opening amount as at 1 January 2020	21,423,504,000
Net additional borrowings	12,370,593,069
Repayments of borrowings	(147,342,241)
Movement in deferred revenue	<u>(25,892,784)</u>
<b>Closing amount as at 30 September 2020</b>	<u><b>33,620,862,044</b></u>

**Year Ended 31 December 2019**

Opening amount as at 1 January 2019	3,937,768,000
Additional drawdowns in the year	56,737,008,000
Principal repayments	(39,905,311,000)
Interest expenses	3,132,484,000
Interest repayments	<u>(2,478,445,000)</u>
<b>Closing amount as at 31 December 2019</b>	<u><b>21,423,504,000</b></u>

**First Bank of Nigeria - Term Loans**

The facilities were for part finance of construction of cement plant, importation of spare parts and raw materials.

**First Bank of Nigeria - Overdraft**

The Bank overdraft was to augment working capital requirement

All the facilities were secured with a debenture on fixed and floating assets of BUA Cement Plc., corporate guarantee of BUA International Ltd and personal guarantee of Alhaji Abdul Samad Rabiu

**Union Bank of Nigeria Plc**

There are three facilities - Bank Overdraft for working capital requirement, Bonds and Guarantee Line and Import Finance Facility. These facilities were secured with a debenture over the assets of Bua Cement Plc and personal guarantee of the prime mover of the company - Alhaji Abdul Samad Rabiu

## Notes to the Financial Statements for the Period Ended 30th September 2020

**15. EARNINGS PER SHARE**

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

Net profit attributable to ordinary equity holders	53,567,249,237	43,253,334,245
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares	33,864,354,864	33,864,354,864
Basic Earning Per Ordinary Shares (kobo)	158	128

	<b>3-months ended 30 September, 2020 =N=</b>	<b>3-months ended 30 September, 2019 =N=</b>
Net profit attributable to ordinary equity holders	18,747,975,485	12,643,380,596
	<b>Number</b>	<b>Number</b>
Weight average number of ordinary shares	33,864,354,864	33,864,354,864
<b>Basic Earning Per Ordinary Shares (Kobo)</b>	<b>55</b>	<b>37</b>

**Diluted earnings per ordinary shares**

The Company has no dilutive instruments

**16. EMPLOYEE BENEFITS OBLIGATION**

	<b>30 September, 2020 =N=</b>	<b>31 December, 2019 =N=</b>
Present value of defined benefit plan	2,807,440,479	2,908,526,000

	<b>30 September, 2020 =N=</b>	<b>31 December, 2019 =N=</b>
<b>Reconciliation of change in defined benefit Obligation</b>		
<b>Defined Benefit Obligation opening</b>	2,908,526,000	2,201,781,000
Current service cost	-	152,276,000
Interest cost		305,426,000
Plan amendment		(66,747,000)
Plan participant contribution		(32,166,000)
Actuarial (gains)/losses- Change in assumption		334,177,000
Actuarial (gains)/losses- Experience adjustment		48,434,000
Benefit Payment	(101,085,521)	(34,655,000)
<b>As at Ending</b>	<b>2,807,440,479</b>	<b>2,908,526,000</b>

Included in Bank balance is a balance of N1,482,209,724 set aside in an End of Service Benefit account with Zenith bank to meet retirement commitment of the company. The funded status of the defined Benefit for the period in view is:

Defined benefit liability	2,807,440,479	2,908,526,000
Plan asset with Zenith bank	(1,482,209,724)	(1,301,709,065)
	<b>1,325,230,755</b>	<b>1,606,816,935</b>

## Notes to the Financial Statements for the Period Ended 30th September 2020

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

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

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

<b>17. TRADE AND OTHER PAYABLES</b>	<b>30 September, 2020</b> =N=	<b>31 December, 2019</b> =N=
Trade Payables	18,063,619,730	21,533,329,000
Contract Liability	17,574,706,271	32,868,945,000
Unclaimed dividend	423,535,472	419,432,000
Statutory obligations and other accruals	18,494,281,677	14,389,097,000
	<b>54,556,143,150</b>	<b>69,210,803,000</b>
<b>18. DECOMMISSIONING LIABILITY (Recultivation)</b>		
Opening balance as at January 1,	4,047,713,000	3,346,240,000
Additional provision made	751,642,616	-
Increase/(Decrease) as a result of change in estimate		420,901,000
Additional discount due to passage of time		280,572,000
<b>Closing Balance</b>	<b>4,799,355,616</b>	<b>4,047,713,000</b>

**Provision for decommissioning liabilities**

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

## Notes to the Financial Statements for the Period Ended 30th September 2020

**19. RELATED PARTIES**

<b>Names of related companies</b>	<b>Relationship</b>
BUA Pasta Limited	Sister company
BUA International Limited	Sister company
Edo Cement Company Limited	Sister company
Nigerian Oil Mills Limited	Sister company
Bua Oil Mills Limited	Sister company
SOPON Limited	Sister company
BUA Ports and Terminal Limited	Sister company
BUA Transport Limited	Sister company
Damnaz Cement Limited	Sister company
Bua Sugar Refinery Limited	Sister company
Nigerian Oil Mills (UK) Limited	Sister company
Bua Rice limited	Sister company
Lafiaji Sugar Limited	Sister company
Kalambaina Cement company Limited	Sister company

<b>Outstanding Balances</b>	<b>30 September 2020</b>	<b>31 December, 2019</b>
	<b>=N=</b>	<b>=N=</b>
<b>19.1 Due from Related Entities</b>		
Edo Cement Company Ltd	-	10,617,951
BUA International Ltd	-	18,005,723,000
NOM (UK) Ltd	326,867,762	-
	<u>326,867,762</u>	<u>18,016,340,951</u>
Impairment allowance	-	(1,262,490,000)
	<u>326,867,762</u>	<u>16,753,850,951</u>
<b>19.2 Due to Related Entities</b>		
Damnaz Cement Company Ltd	1,301,319,360	98,487,000
Bua International Limited	105,694,296,311	
NOMUK	-	820,254,000
	<u>106,995,615,671</u>	<u>918,741,000</u>

Receivables from related parties represents advance payments/fund transfers to related parties from the company's account. Conversely, due to related parties represents the amount of money owed to related parties for services rendered to the company.

## Notes to the Financial Statements for the Period Ended 30th September 2020

**20a. INCOME TAX CHARGE**

The major components of income tax expense for the year ended 30 September, 2020 and 31 December 2019 are:

	<b>30 September, 2020</b>	<b>31 December, 2019</b>
	<b>=N=</b>	<b>=N=</b>
<b>As Per Income Statement:</b>		
Current Income Tax Charge:		
Income Tax	191,844,759	11,462,000
Education Tax	400,626,588	460,599,000
Police Trust Fund	1,891,983	3,228,000
Adjustment in prior year provision	-	-
	<u>594,363,330</u>	<u>475,289,000</u>
Deferred Tax charge/(Credit)	5,321,989,683	5,150,389,000
Income Tax Expense Reported in the Income Statement	<u>5,916,353,013</u>	<u>5,625,678,000</u>

**As Per Statement of Financial Position:****20b. Current Income Tax Liabilities**

<b>As at Beginning,</b>	813,724,000	2,257,725,000
Provision for the period	592,471,347	472,061,000
Police Trust Fund	1,891,983	3,228,000
	<u>1,408,087,330</u>	<u>2,733,014,000</u>
<b>Less:</b>		
Payment during the year	<u>(744,368,805)</u>	<u>(1,919,290,000)</u>
<b>As at End,</b>	<u>663,718,525</u>	<u>813,724,000</u>

**20c. Deferred Tax Assets/(Liabilities)**

As at Beginning	4,648,588,000	9,684,192,000
Deferred tax (charge)/credit for the period - profit or loss	(5,321,989,683)	(5,150,387,000)
Deferred Tax credit for the year-OCI		114,783,000
<b>As at End</b>	<u>(673,401,683)</u>	<u>4,648,588,000</u>

## Free Float Computation

### Free Float Computation

Board Listed:	Main Board
Year End:	December 31
Reporting Period	Period Ended 30 September 2020
Share Price at end of reporting period:	N41.75

### Shareholding Structure and Free Float Status

30/09/2020		
Description	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	33,864,354,060	100%
<b>Details of Substantial Shareholdings (5% and above)</b>		
Names of Shareholders		
Rabiu Alhaji Abdulsamad	19,044,995,225	56.24%
Bua Cement Manufacturing Company Limited	11,490,595,760	33.93%
Rabiu Alhaji Isiaku	2,072,085,309	6.12%
<b>Total Substantial Shareholdings</b>	<b>32,607,676,294</b>	<b>96.29%</b>
<b>Details of Directors Shareholdings (direct and indirect) excluding directors' holding substantial interests</b>		
Names of Directors		
<b>Rabiu Alhaji Abdulsamad- Indirect</b>		
Damnaz Cement Co. Ltd	637,403,152	1.88%
BUA International Limited	98,618,444	0.29%
Binji Yusuf H- Direct	7,093	0.00%
Total Directors' Shareholdings	<b>736,028,689</b>	<b>2.17%</b>
<b>Details of Other Influential Shareholdings if any</b>		
<b>Total of Other Influential Shareholdings</b>	<b>-</b>	<b>0.00%</b>
<b>Free Float in Units and Percentage</b>	<b>520,649,077</b>	<b>1.54%</b>
<b>Free Float in Value</b>	<b>N21,737,098,964.70</b>	

### Declaration

- a. BUA Cement Plc with a free float percentage of 1.54% as at 30 September 2020, is not compliant with the Exchange's free float requirements for companies listed on the Main Board

# BUA CEMENT

## STRONG. QUICK-SET.



🕒 **Sets Faster**   🏗️ **Unsurpassed yield**   ☀️ **All-weather**



All-weather  
All-season



Sets  
Faster



Unsurpassed  
Yield



Strong  
Blocks



Smooth  
Cement Paste



Lasting  
Concrete

BUA CEMENT IS MADE OF THE HIGHEST QUALITY TEXTURES MAKING IT MIX AND SETS FASTER, YIELD MUCH MORE AND LAST LONGER.

