DANGOTE

Dangote Industries Limited

Consolidated annual report and financial statements for the year ended 31 December 2019

Dangote Industries Limited
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General information

Country of incorporation and domicile	Nigeria	
	Alhaji Aliko Dangote, GCON	Group President
	Alhaji Sani Dangote	Group Vice President
	Mr. Olakunle Alake	Group Managing Director
	Mr Knut Ulvmoen	Group Executive Director
	Alhaji Abdu Dantata	Group Executive Director
	Mr D.V.G Edwin	Group Executive Director
	Alhaji Sada Ladan-Baki	Group Executive Director
	Alhaji Tajudeen Sijuade	Group Executive Director
	Halima Aliko-Dangote	Group Executive Director
Registered office	Dangote Industries Ltd Union Marble house 1 Alfred Rewane Road Ikoyi Lagos	
Holding company	Greenview International Corp.	
Ultimate holding company	Greenview International Corp.	
Bankers	Zenith Bank Plc Access Bank Plc First Bank Nigeria Limited Ecobank Limited Guaranty Trust Bank Plc Fidelity Bank Plc First City Monument Bank Plc United Bank for Africa Plc Stanbic IBTC Bank Plc Rand Merchant Bank Limited Heritage Bank Plc Standard Chartered Bank Limited Keystone Bank Limited Union Bank of Nigeria Plc Suntrust Bank Limited Jaiz Bank Plc	
Auditors	Deloitte & Touche Chartered Accountants Civic Towers Plot GA1, Ozumba Mbadiwe Avenue Victoria Island Lagos.	
Secretary	Mr. Mahmud Kazaure Union Marble house 1 Alfred Rewane Road Ikoyi, Lagos.	

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The reports and statements set out below comprise the consolidated annual report and financial statements presented to the Shareholders:

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements

The Directors of **Dangote Industries Limited** are responsible for the preparation of the consolidated and separate financial statements that gives a true and fair view of the financial position of the Group and Company as at 31 December 2019, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing these financial statements, the Directors are responsible for:

• properly selecting and applying accounting policies;

• presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

• providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and

• making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

• designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;

• maintaining adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;

• maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;

• taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and

• preventing and detecting fraud and other irregularities.

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019 were approved by the Directors on 30 JUNE, 2020.

On behalf of the Directors of the Group

Signed by Order of the Board

Alhaji Aliko Dangote,GCON	**Mr. Olakunle Alake**	**Mr. Mustapha Ibrahim**
Group President	**Group Managing Director**	**Chief Finance Officer (CFO)**
FRC /2013/IODN/00000001766	**FRC /2013/ICAN/00000002214**	**FRC /2013/ICAN/00000002215**

Deloitte.

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Independent Auditor's report

To the Shareholders of Dangote Industries Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Dangote Industries Limited ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of profit or loss and other comprehensive income, statement of changes in equity, cash flows for the year then ended, the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Industries Limited as at 31 December 2019 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information refer to the Directors' Report as required by the Companies and Allied Matters Act CAP C20 LFN 2004, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Deloitte.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. The Group has kept proper books of account, so far as appears from our examination of those books.

iii. The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Hassan Lawal, FCA- FRC/2013/ICAN/00000000001382
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria.
3rd July 2020

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
0554687

Report of the Directors for the year ended 31 December 2019

The Directors are pleased to present to the members of Dangote Industries Limited ("the Company") their report together with the Audited Consolidated and Separate Financial Statements for the Group and the Company for the year ended 31 December 2019.

1. LEGAL FORM

Dangote Industries Limited was incorporated as a private limited liability company on 18 April 1985 and commenced business in July, 1999. Dangote Nigeria Limited owns 0.01% and Greenview International Corp. of Cayman Island owns 99.9%. However, Alhaji Aliko Dangote is the ultimate controlling party.

2. STATE OF AFFAIRS

RESULTS FOR THE YEAR

In the opinion of the Directors, the state of the Group's affairs is satisfactory and there has been no material change since the reporting date, which could affect the financial statements as presented.

Result of the Company for the year is as follows:

	Group		Company	
	2019	2018	2019	2018
	N mil	N mil	N mil	N mil
Revenue	1,201,189	1,226,366	248,376	170,712
Profit before Taxation	255,043	339,331	314,336	167,099
Taxation	(59,086)	70,304	(689)	(3,757)
Profit after taxation	195,957	409,635	313,647	163,342

3. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2019.

4. PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment (PPE) is shown in Note 19 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Group's PPE is not less than the carrying value shown in the consolidated and separate financial statements.

5. EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

It is the Group's policy that there is no discrimination in considering application for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers.

6. Borrowing limitations

The group has not purchased any of its own shares during the year 31 December,2019

7. HEALTH, SAFETY AND WELFARE OF EMPLOYEES AT WORK

Health and safety regulations are in force within the Group's premises and employees are aware of existing regulations.

8. EMPLOYEES' INTEREST AND TRAINING

The Group is committed to keeping employees fully informed as much as possible regarding the Group's performance and the progress and in seeking their views whenever practicable on matters which particularly affect them as employees.

9. EVENTS AFTER THE REPORTING DATE

Other than the issue noted below,the Directors are of the opinion that there were no post balance sheet events that could have material effect on the state of affairs of the Company at 31 December 2019 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements. On the 30th of January, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of Coronavirus, which has been code-named COVID-19. The WHO, however, on March 11th, 2020 declared the outbreak as a pandemic, and it has continued to spread globally. As at the date of this report, several cases have been confirmed in Nigeria by the Nigeria Centre for Disease Control.
Measures taken to contain the spread of COVID-19 affected economic activities as the President of the Federal Republic of Nigeria directed a restriction/cessation of movement in Lagos State, Ogun State and the Federal Capital Territory (FCT) Abuja. Commercial establishments including food processing, distribution and retail companies were however exempted. Operating as one of the commercial establishments in food processing and distribution, the company continued operations having activated the Business Continuity Plan (BCP) to ensure all possible disruptions to operations were addressed while minimizing the effect of COVID-19 on employees, suppliers and other key stakeholders. Within the lockdown period, employees on essential duty were transported safely between their homes and the company's premises, whilst leveraging technology and online tools to support others working remotely.

In response to the COVID-19 impact on the global economy, the consequent fall in oil prices and reduction in supply of foreign exchange in the country, the Central Bank of Nigeria on the 21st of March 2020,adjusted the official Foreign exchange rate by 17.6% (i.e. increasing it from N306/$1 to N360/$1) whilst the "market-determined" Investor and Exporter window was adjusted by 5.6% (i.e. increasing it from N360/$ to N380/$). Outstanding obligations in respect of Letters of Credit will be impacted by this and other foreign exchange rate adjustments. Furthermore there will be an increase in cost-to-completion in Naira terms, of the company's Backward Integration Programme given that the equipment for this programme is largely imported. Possible delays in establishment of Letters of Credit for importation are anticipated which will have a knock on impact on the programme timelines. The exact impact in terms of amount and timelines extension is yet to be determined..

10. FORMAT OF FINANCIAL STATEMENTS

The financial statements of Dangote Industries Limited have been prepared in accordance with the reporting and presentation requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), provision of Financial Reporting council of Nigeria Act No 6, 2011. The Directors consider that the format adopted is the most suitable for the Group.

11. Secretary

The secretary of the Dangote Industries Ltd is Mr. Mahmud Kazaure .

12. Auditors

Deloitte & Touche have expressed their willingness to continue in office as the Group's auditors in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the Year Ended December 31, 2019

		Group		Company	
	Note(s)	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Continuing operations					
Revenue	5	1,201,189	1,226,366	248,376	170,712
Cost of sales	6	(640,134)	(647,555)	(5,983)	(4,973)
Gross profit		561,055	578,811	242,393	165,739
Other income	10	6,556	15,997	89,515	308
Selling and distribution expenses	8	(141,625)	(124,456)	-	-
Administrative expenses	7	(130,125)	(117,496)	(28,818)	(22,912)
Operating profit	15	295,861	352,856	303,090	143,135
Finance income	9	142,715	111,649	140,889	106,603
Income from equity accounted investments	26	649	563	-	-
Finance costs	11	(184,182)	(125,737)	(129,643)	(82,639)
Profit before taxation		255,043	339,331	314,336	167,099
Tax expense	17	(59,086)	70,304	(689)	(3,757)
Profit for the year		195,957	409,635	313,647	163,342
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations	19	(132,625)	(7,705)	-	-
Financial assets at fair value throu other comprehensive income	19	(76)	(1,202)	(76)	(1,202)
Other comprehensive loss for the year net of taxation	19	(132,701)	(8,907)	(76)	(1,202)
Total comprehensive income for the year net of taxation		63,256	400,728	313,571	162,140
Profit for the year attributable to :					
Owners of the parent		160,569	341,033	313,647	163,342
Non-controlling interest		35,388	68,602	-	-
		195,957	409,635	313,647	163,342
Total comprehensive income attributable to:					
Owners of the parent		27,868	335,437	313,571	162,140
Non-controlling interest		35,388	65,291	-	-
		63,256	400,728	313,571	162,140

The accounting policies on pages 15 and the notes on pages 39 to 95 form an integral part of the consolidated annual report and financial statements.

Consolidated and Separate Statement of Financial Position as at December 31, 2019

		Group		Company	
	Note(s)	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Assets					
Non-current assets					
Property, plant and equipment	20	1,412,965	1,348,913	23,499	17,061
Right of use assets	50	17,915	-	-	-
Intangible assets	21	5,981	7,845	10	14
Investments in subsidiaries	24	-	-	98,159	82,439
Investments in associates	26	4,961	4,312	-	-
Other financial assets	27	2,983	2,983	-	-
Deferred tax	18	56,965	48,855	-	-
Finance lease receivables	48	2,128	6,475	-	-
Prepayments	30	51,233	52,310	-	-
Other investments	29	451,868	420,285	451,868	420,285
		2,006,999	**1,891,978**	**573,536**	**519,799**
Current assets					
Inventories		262,800	226,640	-	-
Biological assets	22	2,069	1,841	-	-
Trade and other receivables	28	258,497	240,408	217,746	203,641
Other financial assets	27	69,220	59,972	68,908	59,593
Loans to related entities	40.5	1,752,709	1,093,250	1,791,009	1,152,000
Finance lease receivables	48	4,266	2,380	-	-
Prepayments	30	27,840	30,939	2,137	418
Cash and cash equivalents	31	839,942	852,254	642,067	606,383
		3,217,343	**2,507,684**	**2,721,867**	**2,022,035**
Investment in subsidiary held for sale	23	869	869	-	-
Total assets		**5,225,211**	**4,400,531**	**3,295,403**	**2,541,834**
Equity and liabilities					
Equity attributable to equity holders of Parent					
Share capital	38	1,000	1,000	1,000	1,000
Foreign exchange translation reserve		(65,041)	67,584	-	-
Fair value reserve		(3,437)	(3,361)	(41)	(41)
Employee benefit reserve		-	583	-	-
Capital reserve		21,413	21,413	-	-
Revenue Reserve		2,110,309	2,055,520	1,261,731	1,143,084
		2,064,244	2,142,739	1,262,690	1,144,043
Non-controlling interest		172,480	182,000	-	-
		2,236,724	**2,324,739**	**1,262,690**	**1,144,043**
Liabilities					
Non-current liabilities					
Financial liabilities	32	1,649,305	1,296,027	1,426,780	991,597
Lease liability	51	3,722	-	-	-
Retirement benefit obligation	34.2.1	1,205	1,284	1,022	1,062
Deferred income	35	369	516	-	-
Deferred tax	18	109,187	98,966	3,764	3,764
Provisions	36	3,684	2,753	-	-
		1,767,472	**1,399,546**	**1,431,566**	**996,423**
Current liabilities					
Financial liabilities	32	485,067	282,333	465,438	262,338
Trade and other payables	33	664,923	361,367	126,197	127,826
Current tax payable	17.3	67,875	31,257	9,512	11,204
Lease liability	51	2,021	-	-	-
Retirement benefit obligation	34	980	970	-	-
Deferred income	35	149	314	-	-
Provisions	36	-	5	-	-
		1,221,015	**676,246**	**601,147**	**401,368**
Total liabilities		**2,988,487**	**2,075,792**	**2,032,713**	**1,397,791**
Total equity and liabilities		**5,225,211**	**4,400,531**	**3,295,403**	**2,541,834**

The consolidated annual report and financial statements and the notes on pages 39 to 95, were approved by the on 30 JUNE 2020 and were signed on its behalf by:

Alhaji Aliko Dangote,GCON
Group President
FRC /2013/IODN/00000001766

Mr. Olakunle Alake
Group Managing Director
FRC /2013/ICAN/00000002214

Mr. Mustapha Ibrahim
Chief Finance Officer (CFO)
FRC /2013/ICAN/00000002215

The accounting policies on pages 15 and the notes on pages 39 to 95 form an integral part of the consolidated annual report and financial statements.

Consolidated and Separate Statement of Changes in Equity for the Year Ended December 31, 2019

		Foreign currency translation reserve	Employee benefit reserve	Fair value adjustment assets-available-for-sale reserve	Capital reserve	Retained Income	Total attributable to equity holders of the Group / company	Non-controlling interest	Total equity
	N mil	N mil	N mil	N mil	N mil	N mil	N mil	N mil	N mil
Group									
Balance at January 1, 2018	1,000	71,978	583	(2,159)	14,824	1,845,979	1,932,205	183,826	2,116,031
Profit for the year	-	-	-	-	-	340,318	340,318	68,602	408,920
Other comprehensive income	-	(7,705)	-	(1,202)	-	-	(8,907)	-	(8,907)
Total comprehensive income for the year	-	(7,705)	-	(1,202)	-	340,318	331,411	68,602	400,013
Dividends	-	-	-	-	-	(130,040)	(130,040)	-	(130,040)
Adjustment to DFM capital reserve	-	-	-	-	6,589	-	6,589	(6,589)	-
Changes on initial application of IFRS 9	-	-	-	-	-	(737)	(737)	-	(737)
Dividends	-	-	-	-	-	-	-	(33,197)	(33,197)
Balance at December 31, 2018	1,000	67,584	583	(3,361)	21,413	2,055,520	2,142,739	182,000	2,324,739
Profit for the year	-	-	-	-	-	160,569	160,569	35,388	195,957
Other comprehensive income	-	(132,625)	-	(76)	-	-	(132,701)	-	(132,701)
Total comprehensive income for the year	-	(132,625)	-	(76)	-	160,569	27,868	35,388	63,256
DFM Disposal Proceed Transfer to reserves	-	-	-	-	-	89,220	89,220	-	89,220
Dividends	-	-	-	-	-	(195,000)	(195,000)	(44,908)	(239,908)
Balance at December 31, 2019	1,000	(65,041)	-	(3,437)	21,413	2,110,309	2,064,244	172,480	2,236,724
Note(s)	38	19	19	19		19			

* Employee benefit reserve and applicable remeasurement of employee benefit during the year are represented within retained income.

The accounting policies on pages 15 and the notes on pages 39 to 95 form an integral part of the consolidated annual report and financial statements.

Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2019

		Fair value adjustment assets-available-for-sale reserve		Total equity
	N mil	N mil	N mil	N mil
Company				
Balance at 1 January, 2018	1,000	1,161	1,109,782	1,111,943
Profit for the year	-	-	163,342	163,342
Other comprehensive income	-	(1,202)	-	(1,202)
Total comprehensive income for the yearyear	-	(1,202)	163,342	162,140
Transfer between reserves	-	-	(130,040)	(130,040)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(130,040)	(130,040)
Balance at 31 December, 2018	1,000	(41)	1,143,084	1,144,043
Profit for the year	-	-	313,647	313,647
Other comprehensive income	-	(76)	-	(76)
Total comprehensive income for the year	-	(76)	313,647	313,571
Dividends	-	-	(195,000)	(195,000)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	(195,000)	(195,000)
Balance at 31 December, 2019	1,000	(41)	1,261,731	1,262,690
Note(s)	38	19	19	

The accounting policies on pages 15 and the notes on pages 39 to 95 form an integral part of the consolidated annual report and financial statements.

Consolidated and Separate Statement of Cash Flows for the Year Ended December 31, 2019

		Group		Company	
	Note(s)	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Cash flows from operating activities					
Cash receipts from customers and related parties		1,254,223	1,126,412	260,055	140,796
Cash paid to suppliers, employees and related parties		(617,180)	(659,868)	(79,552)	(38,012)
Cash generated from operations	41	637,043	467,767	180,503	102,782
Tax (paid) received	42	(18,389)	9,979	(2,381)	(6,571)
Net cash generated from operating activities		**633,104**	**506,887**	**193,179**	**109,751**
Cash flows from investing activities					
Purchase of property, plant and equipment	20	(194,370)	(154,527)	(7,456)	(3,773)
Proceeds on disposal of property, plant and equipment	20	(522)	1,872	-	-
Purchase of investment in subsidiary		-	-	(15,720)	-
Proceeds from sale of investments		-	-	90,799	-
Right of Use assets	50	(20,368)	-	-	-
Purchase of other intangible assets	21	(220)	(796)	-	-
Purchase of biological assets	22	(541)	(998)	-	-
Sale of biological assets	22	-	1,639	-	-
Capital Contribution in related parties		(31,583)	(420,285)	(31,583)	(420,285)
Other financial asset		(9,248)	-	(9,314)	-
Interest income received	9	142,715	111,649	140,889	106,603
Dividends received	10	64	897	259	260
Net cash generated from investing activities		**(114,073)**	**(460,549)**	**167,874**	**(317,195)**
Cash flows from financing activities					
Loans obtained from related entity		-	-	-	163,029
Loan obtained from third party	32	556,012	618,126	638,283	367,519
Finance lease payments		(249)	-	-	-
Finance lease receipts	48	2,461	633	-	-
Dividends paid		(240,645)	(33,934)	(195,000)	(130,040)
Loans to group companies repaid	40.5	191,975	269,159	191,975	293,760
Loans advanced to related entity	40.5	(851,435)	(272,052)	(831,005)	(196,907)
Interest paid	11	(183,933)	(125,737)	(129,643)	(82,639)
Repayment of third party loan		-	(146,541)	-	(108,421)
Net cash generated from financing activities		**(525,077)**	**309,654**	**(325,369)**	**306,301**
Total cash movement for the year		(6,046)	37,953	35,684	100,376
Cash and cash equivalent at the beginning of the year		844,886	806,933	606,383	506,007
Total cash and cash equivalents at end of the year	31	**838,840**	**844,886**	**642,067**	**606,383**

The accounting policies on pages 15 and the notes on pages 39 to 95 form an integral part of the consolidated annual report and financial statements.

Notes to the Consolidated and Separate Financial Statements

1 General information

1.1 Legal form

Dangote Industries Limited was incorporated as a private limited liability company on 18 April 1985 and commenced business in July, 1999. Dangote Nigeria Limited owns 0.01% and Greenview International Corp. of Cayman Island owns 99.9%. However, Alhaji Aliko Dangote is the ultimate controlling party.

1.2 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 the steering committee that makes strategic decisions.

The Group's primary format for segment reporting is business segments. The risks and returns of the Group's operations are primarily determined by the different products that the Group produces rather than the geographical location of the Group's operations.

The Group has five primary business segments, Sugar, Sack, Salt, Flour and Cement. The Sugar unit comprises Dangote Sugar Refinery Plc and Savannah Sugar Company Limited; Sack comprises of Dangote Agrosacks Limited and Obajana Agrosacks Limited; Salt comprises National Salt Company of Nigeria Plc; Flour comprises of Dangote Flour Plc and Dangote Pasta Limited and the Cement company is Dangote Cement Plc group.During the year, Dangote Industries Ltd disposed its entere 100% shareholding interest in Dangote Flour to OLAM at floor of Nigeria Stock exchange.Dangote Flour mill Plc cease to remain Segment of the Group as at year end 2019.

Certain Head Office activities are reported as "Corporate". These consist of Dangote Industries Limited corporate headquarters activities which include the executive committee, human resources, legal and finance, including investments, treasury and taxes.

Segment net assets consist of fixed assets, investments, cash and bank, receivables/payables, inventories, term loans and other liabilities. Eliminations represent intercompany balances between the different segments, intercompany loans and the holding Company's investments in subsidiaries.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the ("IASB") that are effective as at 31 December 2019 (the Company's reporting date) and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

2.1.1 Basis of measurement

The consolidated and separate financial statements are presented on a historical cost basis except for FVOCI financial assets and derivative instruments which are measured at fair value through other comprehensive income

2.1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all Companies which are controlled by the Group.

The Group has control of a Company when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

2.1.3 Goodwill

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued.Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, The Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

2.1.3 Goodwill (continued)

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Where the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest is lesser than the fair value of the identifiable assets and liabilities of the acquiree, the difference is a bargain purchase which is recognised in profit or loss account immediately.

2.1.4 Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

2.1.5 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

2.1.5.1 Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, interests in joint ventures are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the Company's share of net assets of the joint venture, less any impairment losses. Profits or losses on transactions between the Company and a joint venture are eliminated to the extent of the Company's interest therein.

When the Company loses joint control, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured at fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

2.1.5.2 Joint operations

2.1.5 Joint arrangements (continued)

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group recognises the following in relation to its interests in joint operations:
- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

2.2 Biological assets

The Group recognise a biological asset or agricultural produce when, and only when:
- the group controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

Fair value is measured with reference to the price in an active market at the point of harvest adjusted for its present location and condition.

Fair value changes and expenses incurred in establishing and maintaining the assets are recognised in statement of profit or loss.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2.3 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted prospectively as of the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method

Dividends are recognised, in profit or loss, when the Select Entity's right to receive payment has been established.

2.4.1 Goods sold

For sales of products to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the distributor's location if the agreement is for the Group to deliver. In case of self collection by distributors revenue is recognised when the distributor picks the products from the Group's factories or warehouses. Following delivery by the Group or self collection, the distributor has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. For distributors that buy on credit, a receivable is recognised by the Group when the goods are delivered to the distributor as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of goods to end user customers, revenue is recognised when control of the goods has transferred, being at the point the customer lifts the goods from our factories if it's self collection or at the point at which the goods are delivered if the agreement is for the Group to deliver. Payment for the transaction price is done by the time goods are collected otherwise a receivable is recognised at that point.

Amount related to shipping and handling whether included as part of sales price or billed separately is recorded as revenue, and costs incurred for shipping and handling are classified under "selling and distribution expenses".

2.4.2 Finance income

Finance income comprises interest income on short-term deposits with bank, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit and loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.6 Foreign currency

2.6.1 Functional and presentation currency

Items included in the consolidated annual report and financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

These consolidated and separate financial statements are presented in the Nigerian Naira, which is the Group's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless where otherwise stated.

2.6.2 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions..

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.6.3 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of the Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Foreign currency translation adjustments". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

2.7 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Select Entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses..

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use. Borrowing costs on qualifying assets in accordance with the Group's accounting policy and the costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation.
When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

2.7 Property, plant and equipment (continued)

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

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

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold, land improvement	Over the lease period
Buildings	25
Plant and machinery	10 to 15
Power plant	5 to 25
Motor vehicles	4
Computer hardware	3
Furniture and equipment	5
Aircrafts and related components	5 to 25
Boats	

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the Group holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

2.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets primarily include amortisable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.8 Intangible assets (continued)

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meet the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination. Exploration assets are not amortised as it will only be available for use once transferred to the development cost of the project.

When the technical and commercial feasibility of a project has been established, the relevant exploration assets are transferred to development costs. No further exploration costs for the project will be capitalised. The costs transferred to development costs will be amortised over the life of the project based on the expected flow of economic resources associated with the project.

2.8.1 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b. the intention to complete the intangible asset and use or sell it;

c. the ability to use or sell the intangible asset;

d. how the intangible asset will generate probable future economic benefits;

e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internallygenerated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.2 Derecognition of intangible assets

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

2.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

2.9 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cost is determined as follows:

Raw Materials

Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

Work in progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using weighted average cost.

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilised in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Good in transit

At year end, any goods in transit from seller to buyer may properly be includable in one, and only one, of those parties' inventories, based on the terms and conditions of the sale.

Under traditional legal and accounting interpretation, goods are included in the inventory of the firm financially responsible for transportation costs.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), of which financial instruments are further classified as either held for trading("HFT") or designated at fair value option ("FVO"),'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' (which include amounts to related parties, loans and receivables). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognised in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. For financial instruments classified as FVTPL, transaction costs incurred are recognised in profit and loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.10 Financial Instruments (continued)

2.10.1 Financial Assets

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
•• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
•• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
•• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
•• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
The Group does not have debt instruments that are measured subsequently at fair value through profit or loss (FVTPL) or (FVTOCI).
Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
•• the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
•• the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

2.10.2 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.10.3 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.10.4 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.10 Financial Instruments (continued)

2.10.5 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group and Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.10.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.10.7 Financial liabilities

Financial liabilities are classified as either FVTPL or 'other financial liabilities' (which include loans from banks and related parties and trade and other payables).

The Group subsequently measures financial liabilities at amortised cost using the effective interest method.

2.10.8 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.10.9 Offsetting

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

2.10.10 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

2.10.11 Impairment of financial assets

A financial asset, other than at FVTPL, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

a. significant financial difficulty of the issuer or counterparty; or

b. breach of contract, such as a default or delinquency in interest or principal payments; or

c. it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

2.10 Financial instruments (continued)

d. the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost that are debt securities, the reversal is recognised in profit or loss.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.10.12 Impairment of Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11 Taxation

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

2.11.2 Deferred tax

2.11 Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognised for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group or Company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

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

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

2.12 Government grants (continued)

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant.

2.13 Employee benefits

2.13.1 Short-term and other longterm employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.13.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The Company contribute 10% and employees 8% each of the employees' emoluments in accordance with Pension Reform Act 2014.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

2.13.3 Defined benefit plans and termination benefits

Estimates of the Group's defined benefit obligations are calculated periodically, in accordance with the provisions of IAS 19 - Employee Benefits, with the assistance of independent actuaries, using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Assets of the plan held by external entities to fund future benefit payments are valued at fair value at the reporting date.

2.13 Employee benefits (continued)

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Group presents the first component of defined benefit costs in profit or loss in the line item administrative expense as ['employee benefits expense'] while net interest expense is presented as part of finance cost. . Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs., then they are discounted.

2.13.4 Terminal benefits

Terminal benefits are expensed at the eairlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises cost for a restructuring. If the benefits are not expected to be settled wholly wothin 12 months from the reporting date

2.14 Provisions

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

2.14.1 Restoration costs

2.14 Provisions (continued)

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

2.15 Contingencies

Contingent liabilities are not recognised in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2.16 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. Potential dilutive common shares result from stock options and convertible bonds issued by the Company on its own common shares.

2.17 IFRS 16 Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. However, there are additional disclosures required.
The Group has applied IFRS 16 using the cumulative catch up method with no restatement of the comparative information. .

2.17 IFRS 16 Leases (continued)

Impact of the new definition of a lease
The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.
The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.
Impact on Lessee Accounting .
(i) Former operating leases
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for leases , the Group:
(a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

The adoption of IFRS 16 resulted in Right of use assets recognised for the Group amounting to N17.915 billion (Company: Nil), Furthermore, lease liability of N5.743 billion was recognised at 31st December 2019. There was no impact on the net cashflows, however lease payments were reclassified to the Financing section of the Statement of Cashflows. There was no material impact on equity.

Amendments to IFRS 9- Prepayment Features with Negative Compensation
The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI. This did not have any impact as the Group does not have such contracts.

2.18 Dividend on ordinary shares

Dividend on ordinary shares is recognised in equity in the period in which it is approved by the shareholders. Dividend declared after balance sheet date is dealth with in the subsequent period

2.19 Critical accounting judgements and key sources of estimation uncertainty

2.19.1 Critical accounting judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated financial statements is judgmental. The items subject to judgment are detailed in the corresponding notes to the consolidated financial statements.

The management of the Company have assessed whether or not the Group has control over the subsidiaries based on whether the Group has the practical ability to direct the relevant activities of each subsidiary laterally. In making their judgement, the directors considered the Group's absolute size of holding in the subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the subsidiaries and therefore the Group has control over them.

2.19.1.1 AG Dangote Construction Limited as a joint venture

2.19 Critical accounting judgements and key sources of estimation uncertainty (continued)

AG Dangote Construction Limited is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly,AG Dangote Construction Limited is classified as a joint venture of the Group.

2.19.1.2 Amortised Cost financial assets

The directors have reviewed the Group's amortised cost financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to collect principal and interest.

The carrying amount of the amortised cost financial assets is N2,977 million (31 December 2018; N2,977 million). Details of these assets are set out in note 27

2.19.1.3 Tax holiday

The Directors of the Group have assessed whether the Dangote Industries Ltd qualify for tax holiday under the existing regulations. After the assessment, which included obtaining an opinion from legal experts, the Directors conclude that Dangote Industries Ltd is entitled to tax holiday under the existing regulations. This is also supported by similar businesses that have been officially granted tax holidays.The formal application to government authorities is now at an advanced stage and no indications so far that the holiday will not be formally granted to the Group.

2.19 Critical accounting judgements and key sources of estimation uncertainty (continued)

2.19.1.4 Biological assets

The fair value of the biological asset is derived using a replacement cost approach. Management uses estimates for the costs to replace the biological asset by segmenting the assets into their various life circles less expected costs to produce and sell the sugar and molasses, which are determined by considering historical actual costs incurred on a per hector basis. The estimated selling price and costs are subject to fluctuations based on the timing of prevailing economic and market conditions as obtained from the various units directly involved in the sales and biological transformation of the assets

Fair values of biological assets
Growing cane:
Growing cane is valued using the estimated yield in tons of sugarcane projected to be harvested from the existing cane roots, less estimated costs of harvest and transport. For this purpose, management assessed the estimated selling price, which has been adjusted for time value of money and inflation based on prevailing market and economic conditions. The carrying value of growing cane is disclosed in note 22 of the financial statements.

2.19.2 Key sources of estimation uncertainty

2.19.2.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31 December 2019 and the management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods. For more details refer to 2.7.

2.19.2.2 Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Group, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Group every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Plan Amendment, Curtailment or Settlement - Amendments to IAS 19

The amendment deals with the determination of past service cost and gains or losses on settlement, when a plan is amended, curtailed or settled ("the event"). Specifically, when determining the past service cost or gain or loss on settlement, the net defined benefit liability (asset) shall be remeasured using the current fair value of plan assets and current actuarial assumptions reflecting the benefits offered under the plan and plan assets both before and after the event. The effect of the asset ceiling shall not be considered in this exercise. The effect of the asset ceiling shall be determined after the event.

The amendment also specifies that when determining current service costs and net interest on the defined benefit liability (asset) in a period in which an amendment, curtailment or settlement occurs, to apply inputs at the beginning of the reporting period for the current service cost and interest up to the date of the event, and to apply inputs as at the date of the event to determine current service costs and interest for the remainder of the period.

The effective date of the amendment is for years beginning on or after January 1, 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated annual report and financial statements.

Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28

The amendment now requires that an entity also applies IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture.

The effective date of the amendment is for years beginning on or after January 1, 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated annual report and financial statements.

Prepayment Features with Negative Compensation - Amendment to IFRS 9

The amendment to Appendix B of IFRS 9 specifies that for the purpose of applying paragraphs B4.1.11(b) and B4.1.12(b), irrespective of the event or circumstance that causes the early termination of the contract, a party may pay or receive reasonable compensation for that early termination.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The amendment does not have material impact on the group's consolidated annual report and financial statements.

Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that when a party to a joint arrangement obtains control of a business that is a joint operation, and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The amendment does not have material impact on the group's consolidated annual report and financial statements.

Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that if a party participates in, but does not have joint control of, a joint operation and subsequently obtains joint control of the joint operation (which constitutes a business as defined in IFRS 3) that, in such cases, previously held interests in the joint operation are not remeasured.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The amendment does not have material impact on the group's consolidated annual report and financial statements.

3. New Standards and Interpretations (continued)

Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that the income tax consequences on dividends are recognised in profit or loss, other comprehensive income or equity according to where the entity originally recognised the events or transactions which generated the distributable reserves.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The amendment does not have material impact on the group's consolidated annual report and financial statements.

Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that when determining the weighted average borrowing rate for purposes of capitalising borrowing costs, the calculation excludes borrowings which have been made specifically for the purposes of obtaining a qualifying asset, but only until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The amendment does not have material impact on the group's consolidated annual report and financial statements.

Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after January 1, 2019.

The group expects to adopt the interpretation for the first time in the 2019 consolidated annual report and financial statements.

The impact of the interpretation is set out in note 4 Changes in Accounting Policy.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

3. New Standards and Interpretations (continued)

- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after January 1, 2019.

The group has adopted the standard for the first time in the 2019 consolidated annual report and financial statements.

The impact of the standard is set out in note 4 Changes in Accounting Policy.

3.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after January 1, 2020 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

3. **New Standards and Interpretations (continued)**

The impact of this amendment is currently being assessed.

Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The group expects to adopt the amendment for the first time in the 2020 consolidated annual report and financial statements.

The impact of this amendment is currently being assessed.

Presentation of Financial Statements: Disclosure Initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The group expects to adopt the amendment for the first time in the 2020 consolidated annual report and financial statements.

The impact of this amendment is currently being assessed.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure Initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The group expects to adopt the amendment for the first time in the 2020 consolidated annual report and financial statements.

The impact of this amendment is currently being assessed.

4. Changes in accounting policy

The consolidated annual report and financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the select entity has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being January 1, 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the group's consolidated annual report and financial statements is described below.

4. Changes in accounting policy (continued)

The group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at January 1, 2019.

Leases where group is lessee

Leases previously classified as operating leases

The group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the group's incremental borrowing rate at the date of initial application.
- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The group applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

The group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of January 1, 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
5. Revenue				
Sale of cement	891,671	901,213	-	-
Sale of salt	27,487	44,265	-	-
Sale of sugar	161,086	150,595	-	-
Sale of sack	3,076	1,287	-	-
Sale of flour	76,762	93,635	-	-
Sale of gas	195	173	-	-
Sale of truck	34,277	27,098	-	-
Investment income - dividends (gross)	-	-	242,674	165,703
Management fees (Notes 4.2)	-	-	5,702	5,009
Others	6,635	8,100	-	-
	1,201,189	**1,226,366**	**248,376**	**170,712**

5.1 Information about major customers

For the Company, revenue is earned majorly from the dividend and management fees from subsidiaries, with Dangote Cement Plc and Dangote Sugary Refinery Plc contributing 94% and 4% of the revenue respectively. All other sources contributed the remaining 2% of revenue earned as at 31 December, 2019.

For the Group, revenue from sale of cement, sugar, sacks, flour, truck and salt business constitute 74.23%, 13.41%, 0.25%, 6.39% 2.85% and 2.29% of the Group revenue respectively. No single customer contributed 10% or more of the reported group revenue for both 2019 and 2018.

5.2 Management fees

Management fees represents reimbursed salaries, wages and rents incurred by Dangote Industries Limited and surcharged to subsidiaries at cost plus 7.5% mark up.

6. Cost of sales

		Group		Company	
		2019 N mil	2018 N mil	2019 N mil	2018 N mil
Raw materials		315,760	325,699	-	-
Fuel and lubricants		137,242	148,053	-	-
Cleaning		17	9	-	-
Protective clothing		7	3	-	-
Quality assurance		58	54	-	-
Repairs and maintenance		8,567	9,747	-	-
Motor vehicle expenses		32,660	33,226	-	-
Utilities		1,066	1,334	-	-
Lease rentals		415	692	408	373
Transport, freight and storage		7,977	6,708	-	-
Other expenses		8,954	(2,395)	-	-
Telecommunication expenses		74	91	-	-
Manufacturing - Depreciation and impairments		74,875	74,736	-	-
Employee cost - Direct	Note 16	48,877	46,842	5,575	4,600
Mining royalty right		3,585	2,756	-	-
		640,134	**647,555**	**5,983**	**4,973**

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

		Group		Company	
		2019 N mil	2018 N mil	2019 N mil	2018 N mil
7. Administrative expenses					
The following items are included within operating expenses:					
Employee cost (Indirect)	Note 16	42,145	38,551	716	693
Repairs and maintenance		5,552	4,737	2,042	1,935
Management fees		-	500	-	-
Advertisement and promotion		10,672	5,562	2,055	1,540
Assessment rates & municipal charges		60	72	-	-
Audit remuneration (Note 12)		797	776	33	33
Bad debt/Impairment		105	53	-	-
Bank charges		3,177	4,117	819	1,499
Cleaning		155	312	-	-
Commission paid		51	41	-	-
Legal and professional fees		5,217	4,423	654	1,022
Consumables		184	77	-	-
Depreciation, amortisation and impairments		13,544	13,778	489	609
Subscription and donations		2,980	1,196	2,790	840
Entertainment		213	170	3	4
Head office expense		752	650	-	-
Corporate social responsibility		18,500	16,313	14,006	11,237
Others		497	918	-	-
Impairment of goodwill		-	-	-	-
Farm surveillance		-	1	-	-
Fines and penalties		3	10	-	-
Gifts		1	6	-	-
IT/Software expenses		3,181	2,134	3,526	1,971
Insurance		976	725	372	244
Rent and rates		7,844	6,457	7	44
Newspaper and periodicals		73	56	21	21
Medical expenses		20	46	-	-
Loading and haulage expenses		-	(63)	-	-
Petrol and oil		384	256	-	-
Printing and stationery		185	116	124	44
Loss on sale of assets and liabilities		22	150	-	-
Promotions		848	1,168	-	-
Research and development costs		2	94	-	11
Royalties and license fees		46	46	-	-
Secretarial fees		113	171	-	-
Security		604	671	207	294
Staff welfare		6,419	8,399	109	127
Subscriptions		5	-	-	-
Telephone		247	459	54	61
Training and developments		410	310	328	185
Transport and travellings		3,561	3,964	328	312
Hotel and accomodation		95	160	33	44
Electricity, power and water		452	504	102	142
		130,125	**117,496**	**28,818**	**22,912**

* Amount of N332,234,000 and N716,017,345 from Bad debt/Provision accounts were reclassified to other income for better understanding of the financial statements.Travel Local balance have been reclassified to Transport and Travelling.

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
8. Selling and distribution expenses				
Depreciation	23,869	25,572	-	-
Selling and marketing expenses	6,534	5,897	-	-
Haulage	111,222	92,987	-	-
	141,625	**124,456**	**-**	**-**
9. Finance income				
Interest revenue				
Interest income on eurobond accounts	1,048	1,359	1,048	1,359
Interest income on fixed deposits	14,276	19,027	5,675	3,078
Interest income on operating account	8,037	18,869	7,704	17,969
Interest income on open market operation	255	7,400	184	7,314
Interest income on treasury bills	19	382	-	-
Interest income on intercompany loan	-	-	7,131	12,047
Interest on loans to entity under common control	110,256	79,893	110,256	79,893
Gain on foreign exchange difference	8,824	(15,281)	8,891	(15,057)
	142,715	**111,649**	**140,889**	**106,603**
Reconciliation of Interest Income				
Actual interest income received during the period	133,891	126,930	131,998	121,660
Gain on foreign exchange difference	8,824	(15,281)	8,891	(15,057)
	142,715	**111,649**	**140,889**	**106,603**

Finance income represents interest earned on various bank balances, short term investments and loans and other receivables.

Interest on loans to entity under common control relates to interest on loan granted to related entities other than subsidiaries. Dangote industries Ltd granted working capital loan to its subsidiaries (Dangote cement Plc and Nascon Allied Plc at 10% interest rate. .

10. Other income

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Gains(loss) on disposal of property,plant and equipment	2	(71)	-	-
Gain on disposal of investments in subsidiaries	-	-	89,220	-
Rental income	94	92	-	-
Claims from insurance companies	621	1,206	-	3
Sundry income	3,399	9,015	36	45
Provision no longer required	2,134	2,465	-	-
Dividend income - others	64	897	259	260
Government grants	242	2,393	-	-
	6,556	**15,997**	**89,515**	**308**

Sundry income includes rental income, export grants, freight income, income from supply of power to other companies, discount received, sale of drums and scraps.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

10. Other income (continued)

Gain on disposal of investment in subsidiaries relate to profit realised on full disposal of investment in Dangote Flour Mills Plc. After the disposal, Dangote Industries Limited loss controlling interest of 75.7% in Dangote Flour Mills Plc to Olam International Limited ('Olam') on the floor of Nigeria Stock Exchange at Agreed proceed price of N24 per share ,

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
11. Finance costs				
Finance leases	249	-	-	-
Interest expenses on loans and overdrafts	183,933	125,737	129,643	82,639
	184,182	**125,737**	**129,643**	**82,639**

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
12. Depreciation, amortisation and impairments				
The following items are included within depreciation, amortisation and impairments				
Depreciation				
Property, plant and equipment (Note 20)	112,127	113,315	485	478
Amortisation				
Intangible assets (Note 21)	4	134	4	131
Impairments				
Property, plant and equipment (Note 20)	157	663	-	-
Trade and other receivables	-	(26)	-	-
	157	**637**	-	-
Total depreciation, amortisation and impairments				
Depreciation	112,127	113,315	485	478
Amortisation	4	134	4	131
Impairments	157	637	-	-
	112,288	**114,086**	**489**	**609**
13. Auditors' remuneration				
Fees (Note 6)	797	775	33	33

14. Fair value adjustments

In line with IAS 41, the Group values its consumable biological assets(sugar cane) at fair value less cost to sell with fair value adjustment reported in profit or loss.

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
15. Operating profit				
Operating profit for the year is stated after accounting for the following:				
Directors emoluments	1,895	2,154	716	693
Audit remuneration (Note 12)	797	776	33	33
Equipment				
• Contractual amounts	408	373	408	373
Lease rentals on operating lease				
• Contingent amounts	923	781	-	-
Net loss on disposal of property,plant and equipment	-	(71)	-	-
Loss on sale of businesses (or subsidiaries, joint ventures and associates)	-	-	(89,220)	-
Impairment on trade and other receivables	-	1	-	-
Reversal of impairment on trade and other receivables	-	27	-	-
Amortisation on intangible assets	4	134	4	131
Depreciation on property, plant and equipment (Note 20)	111,939	113,315	485	479
Research and development	2	94	-	11

16. Employee information

The following items are included within employee benefits expense:

	Group 2019	Group 2018	Company 2019	Company 2018
Direct employee costs				
Basic	43,135	42,075	2,304	2,052
Bonus	469	230	311	87
Medical aid - company contributions	82	116	7	3
Other payroll levies	44	36	39	32
Leave pay provision charge	395	327	240	196
Other short term benefit	3,155	2,749	1,635	1,370
Other short term costs	1,095	825	889	730
Post-employment benefits - pension	493	478	150	130
Termination benefits	9	6	-	-
	48,877	**46,842**	**5,575**	**4,600**
Indirect employee costs				
Basic	26,141	23,781	716	693
Commissions	3	3	-	-
Bonus	812	851	-	-
Medical aid - company contributions	12	21	-	-
WCA	3	3	-	-
Other payroll levies	30	77	-	-
Leave pay provision charge	62	43	-	-
Short term benefit	13,547	11,956	-	-
Other short term costs	1,226	1,468	-	-
Post-employment benefits - pension	265	307	-	-
Long-term benefits - incentive scheme	44	41	-	-
Termination benefits	-	1	-	-
	42,145	**38,552**	**716**	**693**
Total employee costs				

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
16. Employee information (continued)				
Direct employee costs	48,877	46,842	5,575	4,600
Indirect employee costs	42,145	38,551	716	693
Total employee cost	**91,022**	**85,393**	**6,291**	**5,293**

Chairman's and directors' remuneration

Chairman's and directors' emolument comprises :				
Directors fees	874	1,149	-	-
Salaries and other emoluments	1,021	1,005	716	693
	1,895	**2,154**	**716**	**693**
Highest paid director	**429**	**429**	**200**	**200**

Employees

Average number of persons employed during the year	Number	Number	Number	Number
Management	1,075	1,018	167	176
Senior staff	8,122	8,010	161	183
Junior staff	14,614	14,532	89	106
	23,811	**23,560**	**417**	**465**

The table below shows the number of employees (excluding directors), whose earnings during the year, fell within the ranges shown below:

N'000	Number	Number	Number	Number
N0 - N150,000	2,112	16,728	18	56
N150,001 - N235,000	5,513	2,872	76	65
N235,001 - N325,000	5,654	2,319	83	89
N325,001 - above	10,532	1,641	240	255
	23,811	**23,560**	**417**	**465**

The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:

N'000	Number	Number	Number	Number
Up to 5,000	5	5	-	-
5,001 - 10,000	1	-	-	-
10,001 - 20,000	13	13	-	-
20,001 and above	15	15	9	9
	34	33	9	9

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
17. Taxation				
17.1 Income tax recognised in profit and loss				
Current tax expense				
Income tax	57,594	28,793	689	3,757
Education tax	-	77	-	-
(Over)/under provision in prior year	(2,587)	(53,869)	-	-
	55,007	**(24,999)**	**689**	**3,757**
Deferred tax expense/(income)				
Originating and reversing temporary differences	-	(448)	-	-
Changes in tax rates	-	340	-	-
Deferred taxation	4,079	(45,197)	-	-
	4,079	**(45,305)**	**-**	**-**
	59,086	**(70,304)**	**689**	**3,757**

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004, as amended and Education Tax Act, CAP E4, LFN 2004.

17.2 Reconciliation of the tax expense

The income tax for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Profit before income tax	255,043	339,331	314,336	167,099
Income tax expense calculated at applicable rate	76,513	101,585	94,301	50,130
Tax effect of adjustments on taxable income				
Effect of income that is exempt from taxation	28,434	(167,524)	(94,048)	(61,892)
Effect of expenses that are not deductible in determining taxable profit	(180)	15,135	436	15,519
Effect of unused tax losses and offsets not recognised as deferred tax assets	(21,100)	(12,602)	-	-
Others	(3,964)	(6,898)	-	-
Effect of Commencement rule	(20,617)	-	-	-
	59,086	**(70,304)**	**689**	**3,757**

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

17. Taxation (continued)

17.3 Current tax assets and liabilities

Current tax liabilities				
At 1 January	31,257	46,277	11,204	14,018
Charge for the year	55,007	(24,999)	689	3,757
Payment during the year	(18,389)	9,979	(2,381)	(6,571)
At 31 December	**67,875**	**31,257**	**9,512**	**11,204**

18. Deferred taxation

Deferred tax liability				
Property plant and equipment	(9,632)	(10,294)	(3,764)	(3,764)
Other deferred tax liability	(99,555)	(88,672)	-	-
Total deferred tax liability	**(109,187)**	**(98,966)**	**(3,764)**	**(3,764)**
Deferred tax asset				
Other deferred tax asset	56,965	48,855	-	-
Deferred tax liability	(109,187)	(98,966)	(3,764)	(3,764)
Deferred tax asset	56,965	48,855	-	-
Total net deferred tax liability	**(52,222)**	**(50,111)**	**(3,764)**	**(3,764)**
Reconciliation of deferred tax asset / (liability)				
At 1 January	(50,111)	(10,919)	(3,764)	(3,764)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(4,079)	45,305	-	-
Others	1,968	(84,497)	-	-
	(52,222)	**(50,111)**	**(3,764)**	**(3,764)**
Deferred tax liabilities				
At 1 January	98,966	72,289	3,764	3,764
Additions during the year	10,221	26,677	-	-
At 31 December	**109,187**	**98,966**	**3,764**	**3,764**
Deferred tax assets				
At 1 January	48,855	61,379	-	-
Additions in the year	15,887	1,974	-	-
Deferred tax effect of currency translation	(7,777)	(14,498)	-	-
At 31 December	**56,965**	**48,855**	-	-

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

18. Deferred taxation (continued)

Tax authorities in various jurisdictions where we operate in, reserve the right to audit the tax charges for the financial year ended 31 December 2019 and prior years. In cases where tax audits have been carried out and additional charges levied, we have responded to the tax authorities challenging the technical merits and made a provision we consider appropriate in line with the technical merits of issues raised by tax authorities.

19. Other comprehensive income

Components of other comprehensive income

Group 2019	Gross	Tax	Net
(a) Items that may be reclassified to profit or loss	**N million**	**N million**	**N million**
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(132,625)	-	(132,625)
(b) Fair Value through OCI			
Gains and losses arising during the year	(76)	-	(76)
Total	**(132,701)**	-	**(132,701)**

Components of other comprehensive income

Group 2018	Gross	Tax	Net
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(7,705)	-	(7,705)
	(7,705)	-	**(7,705)**
(c) Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(1,202)	-	(1,202)
	(1,202)	-	**(1,202)**
Total	**(8,907)**	-	**(8,907)**

Components of other comprehensive income

Company 2019	Gross	Tax	Net
Items that may be reclassified to profit or loss	**N million**	**N million**	**N million**
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(76)	-	(76)

Components of other comprehensive income

Company 2018	Gross	Tax	Net
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			

19. Other comprehensive income (continued)

Gains and losses arising during the year	(1,202)	-	(1,202)
	(1,202)	**-**	**(1,202)**

20. Property, plant and equipment

Group

	Land	Buildings	Leasehold property	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Aircraft	Boats	Tools & equipment	Bearer plant	Work in progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Cost													
Balance at January 1, 2018	1,085	248,984	267	1,135,589	13,597	197,790	3,136	11,712	935	5,158	2,923	111,468	1,732,644
Additions	5,581	7,831	3,665	20,677	450	9,815	147	-	-	4,262	-	102,099	154,527
Transfer	-	-	-	-	-	-	-	-	-	4	3,812	(3,816)	-
Adjustments	-	-	-	(9)	-	(692)	-	-	-	-	-	(56)	(757)
Reclassification	-	(1,529)	-	17,812	(1,799)	8,332	51	-	-	8	-	(22,875)	-
Disposal	-	(1)	-	(1,631)	-	(2,066)	-	-	-	(29)	-	(287)	(4,014)
Impairment	-	(44)	-	558	-	-	-	-	-	-	-	(86)	428
Effect of foreign currency exchange differences	-	2,688	-	(13,498)	(103)	(302)	-	-	-	-	-	(11,335)	(22,550)
Balance at December 31, 2018	6,666	257,929	3,932	1,159,498	12,145	212,877	3,334	11,711	935	9,403	6,735	175,112	1,860,277
Addition	107	2,065	510	9,551	345	9,847	324	8	-	899	7,914	162,812	194,382
Disposal	-	(1)	-	(1,698)	-	(2,836)	-	-	-	(3)	-	(287)	(4,825)
Transfer	-	-	-	-	-	-	-	-	-	-	-	(498)	(498)
Reclassification	-	(3,077)	-	13,543	810	44,183	-	-	-	-	(2,664)	(52,795)	-
Effect of foreign currency exchange diff	-	(3,510)	-	(19,266)	(114)	(5,091)	-	-	-	-	-	(24)	(28,005)
Impairment	-	(44)	-	558	-	-	-	-	-	-	-	(86)	428
Balance at December 31, 2019	6,773	253,362	4,442	1,162,186	13,186	258,980	3,658	11,719	935	10,299	11,985	284,234	2,021,759

20. Group (continued)

	Land N million	Buildings N million	Leasehold property N million	Plant and machinery N million	Furniture and fixtures N million	Motor vehicles N million	IT equipment N million	Aircraft N million	Boats N million	Tools & equipment N million	Bearer plant N million	Work in progress N million	Total N million
Accumulated depreciation													
Balance at January 1, 2018	17	74,418	142	206,361	8,953	104,947	2,765	3,771	162	3,981	1,172	-	406,689
Charge for the year	-	9,368	102	57,728	1,369	40,855	151	710	39	2,286	672	-	113,280
Reclassification	-	(42,684)	-	42,632	-	-	52	-	-	-	-	-	-
Disposal	-	-	-	(43)	-	(2,011)	-	-	-	(17)	-	-	(2,071)
Effect of foreign currency exchange differences	-	(1,845)	-	(3,277)	(2,228)	(274)	-	-	-	-	-	-	(7,624)
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment/(Writeback)	-	-	-	771	(18)	336	-	-	-	2	-	-	1,091
Balance at December 31, 2018	17	39,257	244	304,172	8,076	143,853	2,968	4,481	201	6,251	1,844	-	511,364
Charge for the year	-	8,912	139	55,238	1,258	38,063	179	713	38	1,163	913	-	106,616
Disposal	-	-	-	(20)	-	(770)	-	-	-	-	-	-	(790)
Effect of foreign currency exchange diff	-	(612)	-	(3,750)	(52)	(3,982)	-	-	-	-	-	-	(8,396)
Balance at December 31, 2019	17	47,557	383	355,640	9,282	177,164	3,147	5,194	239	7,414	2,757	-	608,794
Carrying amount													
Balance as at December 31, 2019	6,756	205,805	4,059	806,546	3,904	81,816	511	6,525	696	2,885	9,228	284,234	1,412,965
Balance as at December 31, 2018	6,649	218,672	3,688	855,326	4,069	69,024	366	7,230	734	3,152	4,891	175,112	1,348,913

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

Company

	Leasehold land	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Aircraft	Boats	Tools & equipment	Work in progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Cost										
Balance at January 1, 2018	267	131	343	1,258	368	6,783	926	12	7,760	17,848
Addition	3,167	7	25	39	73	-	-	-	462	3,773
Balance at December 31, 2018	3,434	138	368	1,297	440	6,783	926	12	8,222	21,625
Addition	451	17	21	39	226	-	-	-	6,702	7,456
Transfer	-	-	-	-	-	-	-	-	(531)	(531)
Balance at December 31, 2019	3,885	155	388	1,336	666	6,783	926	12	14,393	28,544
Accumulated depreciation										
Balance at January 1, 2018	-	59	291	1,132	319	2,103	162	12	-	4,078
Charge for the year	17	15	22	80	35	271	38	-	-	478
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2018	17	74	313	1,213	355	2,374	201	12	-	4,559
Charge for the year	34	16	22	46	58	271	38	-	-	485
Balance at December 31, 2019	52	90	335	1,259	413	2,645	239	12	-	5,045
Carrying amount										
Balance as at December 31, 2019	3,833	65	53	77	253	4,138	687	-	14,393	23,499
Balance as at December 31, 2018	3,417	64	55	84	85	4,409	725	-	8,222	17,061

20.1 Transfers - Represents cost incurred by DIL on Project Phoenix in 2014 and Refurbisment work on building capitalised now reclassified to expense accounts .

20.2 Impairments - Represents write-off and impairment on damaged motor trucks and plant & machinery charged to profit or loss.

20.3 Assets pledge - Some borrowings are secured by a debenture on all the fixed and floating assets of the Group

21. Intangible assets

Group

	Computer software N million	Exploration assets N million	Total N million
Cost			
Balance at January 1, 2018	11,701	6,119	17,820
Additions	254	542	796
Effect of foreign currency exchange differences	(4,639)	(616)	(5,255)
Balance at December 31, 2018	7,316	6,045	13,361
Addition	103	117	220
Other Reclassification	-	(1,991)	(1,991)
Effect of foreign currency exchange differences	(41)	(47)	(88)
Balance at December 31, 2019	7,378	4,124	11,502

	Computer software N million	Exploration assets N million	Total N million
Accumulated amortisation			
Balance at January 1, 2018	9,231	147	9,378
Charge for the year	134	60	194
Effect of foreign currency exchange differences	134	16	150
Balance at December 31, 2018	5,293	223	5,516
Charge for the year	40	-	40
Other Reclassification	135	(135)	-
Effect of foreign currency exchange differences	(27)	(8)	(35)
Balance at December 31, 2019	5,441	80	5,521
Carrying amount			
Balance as at December 31, 2019	1,937	4,044	5,981
Balance as at December 31, 2018	2,023	5,822	7,845

There are no development expenditure capitalised as internally generated intangible asset.

Intangible assets (computer software) represent software which have useful life of 3 years and amortised on a straight line basis over these years.

*This represents exploration assets and software reclassified from property, plant and equipment on the completion of the plant construction.

Company

	Computer Software N million	Total N million
Cost		
Balance at January 1, 2018	1,533	1,533
Balance at December 31, 2018	1,533	1,533
Balance at December 31, 2019	1,533	1,533
Accumulated amortisation		
Balance at January 1, 2018	1,388	1,388
Charge for the year	131	131
Balance at December 31, 2018	1,519	1,519
Charge for the year	4	4
Balance at December 31, 2019	1,523	1,523
Carrying amount		
Balance as at December 31, 2019	10	10
Balance as at December 31, 2018	14	14

Intangible assets (computer software) represent software which have useful life of 3 years and amortised on a straight line basis over these years.

There are no development expenditure capitalised as internally generated intangible asset.

22. Biological assets

Biological assets

	Group 2019 N million	Group 2018 N million	Company 2019 N million	Company 2018 N million
At 1 January	1,841	2,807	-	-
Net usage	541	(643)	-	-
Fair value adjustments	(313)	(323)	-	-
Carrying value at the year end	**2,069**	**1,841**	-	-
Standing canes	2,069	1,841	-	-

	Group 2019	Group 2018	Company 2019	Company 2018
Reconciliation of changes in biological assets				
Carrying value as at 1 January	1,841	2,807	-	-
Changes in fair value	(313)	(325)	-	-
Increase arising from purchases	541	998	-	-
Decreases arising from sales and biological assets classified as held for sale	-	(1,639)	-	-
	2,069	**1,841**	-	-

Net biological assets

	Group 2019	Group 2018	Company 2019	Company 2018
Current assets	2,069	1,841	-	-

Description of biological assets and activities

Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for production of sugar. The biological assets have been measured at fair value less cost to sell.

Basis for measurement of fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Key assumptions and inputs	2019	2018		
Industy out-grower price (N)	8,003	7,900	-	-
Yield per hectare (tonne)	60.0	60.0	-	-
Discount rate (%)	9.00 %	12.09 %	-	-

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

Sensitivity to changes in key assumptions and inputs

Reasonably possible changes at the reporting date to one of the key assumptions, holding other assumptions constant, would have affected the biological assets valuation by the amount shown below.

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
		2019		
Discount rate	13.09 %	1,834	-	-
	11.09 %	1,847	-	-
Industry out-grower price	9,210	2,025	-	-
	8,010	1,656	-	-

The faur value measurement for sugarcane have been categorised as level 3 fair value based on the inout to the valuation technique technique used.

Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its biological assets:

Regulatory and environmental risks

The Group is subject to laws and regulations in the states in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws

Supply, demand and yield risks

The Group is exposed to risks arising from fluctuatioins in the prices of seedlings for cultivation as well as yield volumes. When possible, the Group manages these risks by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. The Group manages yield volume risks by employing latest technology and sourcing for optimally viable seedlings

Climate, diseases and otherl risks

The Group's biological assets are exposed to the risks of damage from climatic conditions, diseases, forest fires and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including insurance, use of environmentally friendly pesticides for the crops and leveraging on industry pest and disease surveys as well as other agricultural best practices.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
23. Assets held for sale				
Asset held for sale	869	869	-	-

Amount represents investment made by the Company in 2008 in Algeria for the intended purpose of expansion of the Company's activities through an Algerian Company SPA Dangote Algeria. Subsequent to the payment for the Land, the Algerian Government, without revoking the Algerian company's title to the Land, refused the siting of the proposed Refinery at the Port citing that the site is not suitable for the intended purpose.

The Company lost control over this company in late 2010. The balance has been disclosed as an assets held for sale 2019 (2018: assets held for sale) as Management has obtained ownership to the land and is committed to selling the land.There are several interested parties and the sale is expected to be completed before the end of December 2019.

24. Investment in subsidiaries

Company

Name of company	2019	2018
	N million	N million
Dangote Oil and Gas Limited	5	5
Integrated Steels Plc	2,482	2,482
DIL Power Limited	98	98
Dangote Global Services Limited	210	210
Dangote Agro sacks Ltd	7,554	7,554
Greenview Development Nigeria Limited	1	1
Dancom Technologies Limited	8	8
Dangote Rice Limited	99	99
Dangote Cement Plc	78,721	62,331
Dangote Aviation Limited	400	400
National Salt Company of Nigeria Plc	971	971
Dangote Sugar Refinery Plc	7,763	7,763
Dangote Flour mill	-	670
Twister B	2,040	2,040
Dangote Sinotruk West Africa LTD	65	65
	100,417	84,697
Impairment of investment in subsidiaries	(2,258)	(2,258)
	98,159	82,439

The Company increase its investment in Dangote Cement Plc during the year.

24.1 Subsidaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:
The Company has direct interest in the following subsidiaries:

Name of Subsidiaries	Principal Activity	Place of Incorporation and Operation	Proportion of ownership or voting power held by the Group	
			2019 %	2018 %
Dangote Sugar Refinery Plc	Manufacturer of sugar	Nigeria	68.00	68.00
Dangote Flour Mills Plc	Manufacturer of flour	Nigeria	-	75.70
NASCON Allied Industries Plc	Manufacturer of salt	Nigeria	62.19	62.19
Dangote Cement Plc	Manufacturer of cement	Nigeria	85.75	85.06
Integrated Steel Plc	Manufacturer of steel	Nigeria	99.00	99.00
Dancom Technologies Limited	Provider of telecommunication services	Nigeria	79.00	79.00
DIL Power Limited	Provider of power	Nigeria	98.00	98.00
Greenview Development Nigeria Limited	Provider of warehousing and logistics services	Nigeria	48.75	48.75
Dangote Oil and Gas Limited	Exploration and production of petroleum products	Nigeria	20.00	20.00
Dangote Global Services Limited	Provider of support services	Panama	100.00	100.00
Dangote Aviation services limited	Provider of Aviation services	Nigeria	80.00	80.00
Dangote Agrosack Ltd	Manufacturer of Sacks and Agro-Allied	Nigeria	99.00	99.00
Dangote Rice Ltd	Growing, Refinery,Selling & Distribution of Rice	Nigeria	99.00	99.00
WAEP Cooperative (Twister B.V.)	Gas solution provider	Netherlands	90.00	90.00
Dangote Sinotruk West Africa Limited	Assemblage and sale of trucks	Nigeria	65.00	65

The Company has indirect interest in the following subsidiaries:

Name of Subsidiaries	Principal Activity	Place of Incorporation and Operation	Proportion of ownership or voting power held by the Group 2019 %	2018 %
Savannah Sugar Company Limited	Manufacturer of sugar	Nigeria	64.60	64.60
Sephaku Cement (Pty) Limited	Clinker and cement production	South Africa	58.19	58.19
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	85.47	85.47
Dangote Industries (Zambia) Limited	Cement production	Zambia	68.20	68.20
Dangote Cement Senegal S.A	Cement production	Senegal	81.84	81.84
Dangote Cement Cameroun S.A	Cement Grinding	Cameroun	72.74	72.74
Dangote Industries Limited, Tanzania	Cement production	Tanzania	63.65	63.65
Dangote Cement Congo S.A	Cement production	Congo	90.93	90.93
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	90.57	90.57
Dangote Cement Cote D'Ivoire S.A	Bagging and distribution of cement	Cote D'Ivoire	72.74	72.74
Dangote Industries Gabon S.A	Cement Grinding	Gabon	72.74	72.74
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	90.93	90.93
Dangote Cement - Liberia Ltd.	Bagging and distribution of cement	Liberia	90.93	90.93
Dangote Cement Marketing Senegal SA	Selling and Distribution	Senegal	90.93	90.93
Obajana Agro Sacks Limited	Manufacturer of Sacks and Agro-Allied	Nigeria	74.25	74.25
Dangote Pasta Limited	Manufacturer of Pasta	Nigeria	75.00	75.00

24.2 Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Name of Subsidiaries	Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
			31 December 2019	31 December 2018
Dangote Sugar Refinery Plc	Manufacturer of sugar	Nigeria	1	1
NASCON Allied Industries Plc	Manufacturer of salt	Nigeria	1	1
Dangote Cement Plc	Manufacturer of cement	Nigeria	1	1
Integrated Steel Plc	Manufacturer of steel	Nigeria	1	1
Dangote Fertilizer Limited	Manufacturer of fertilizer	Nigeria	1	1
Dancom Technologies Limited	Provider of telecommunication services	Nigeria	1	1
DIL Power Limited	Provider of power	Nigeria	1	1
Greenview Development Nigeria Limited	Provider of warehousing and logistics services	Nigeria	1	1
Dangote Oil and Gas Limited	Exploration and production of petroleum products	Nigeria	1	1
Dangote Global Services Limited	Provider of support services	United Kingdom	1	1
Dangote Oil Refining Company	Exploration and production of petroleum products	Nigeria	1	1
Dangote Sinotruk West Africa Limited	Assemblage and sale of trucks	Nigeria	1	1
Dangote Aviation services limited	Provider of Aviation services	Nigeria	1	1
Dangote Flour Mills Plc	Provider of Aviation services	Nigeria	0	1
Twister B.V.	Gas solution provider	Netherlands	1	1

24.2.1 Details of Non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		%	%	N million	N million
Dangote Oil and Gas Limited	Nigeria	80%	80%	-14	(4)
Greenview Development Nigeria Limited	Nigeria	51.25%	51.25%	805	912
National Salt Company of Nigeria Plc	Nigeria	37.81%	37.81%	698	1671
Dangote Sugar Refinery Plc	Nigeria	32%	32%	87	193
Dangote Sinotruk West Africa Limited	Nigeria	35%	35%	-437	-216

Summarised below is the financial information in respect of the Group's subsidiary that has material non- controlling interests. Information below represents amounts before intragroup eliminations.

	Dangote Oil and Gas Limited	Greenview Development Nigeria Limited	NASCON Allied Industries Plc	Dangote Sugar Refinery Plc	Dangote Sinotruck West Africa Limited
	N million	N million	N million	N million	N million
December 31, 2019					
Current assets	12,109	20,765	19,854	100,268	62,740
Non-current assets	4,683	834	18,815	93,438	962
Current liabilities	19,641	6,343	18,742	77,539	62,534
Non-current liabilities	6,040	12	8,837	8,030	-
Equity attributable to owners of the Company	119	15,243	11,089	108,579	63,702
Non-controlling interest	-	-	-	443	-
Revenue - trading (Turnover)	19	3,650	27,488	161,086	34,277
Cost of sales	-	774	21,647	122,801	31,975
Expenses	3	1,729	4,021	15,924	1,184
Net income/loss for the year	17	1,567	1,845	22,361	1,118

	Dangote Oil and Gas Limited	GreenView Development Nigeria Limited	NASCON Allied Industries Plc	Dangote Sugar Refinery Plc	Dangote Sinotruck West Africa Limited
	N million	N million	N million	N million	N million
31 December, 2018					
Current assets	4,302	18,366	18,565	103,675	75,469
Non-current assets	4,683	2,822	11,705	71,441	749
Current liabilities	9,284	4,150	16,089	69,406	76,218
Non-current liabilities	-	11	2,288	6,736	-
Equity attributable to owners of the Company	(299)	17,026	11,894	99,331	(427)
Non-controlling interest	-	-	-	(356)	-
Revenue - trading (Turnover)	11	4,995	25,769	150,373	27,098
Cost of sales	-	1,219	17,989	110,688	26,604
Expenses	1	1,343	2,696	7,495	1,112
Net income/loss for the year	(1,490)	3,611	4,420	21,977	618
	16,492	53,543	111,415	640,766	207,441

24.3 Change in the Group's ownership interest in a subsidiary

During the year, the Dangote Industries Ltd disposed its investment in Dangote Flour Mills Plc. After the disposal, Dangote Industries Limited lost controlling interest of 75.7% in Dangote Flour Mills Plc to Olam International Limited ('Olam') on the floor of Nigeria Stock Exchange at Agreed proceed price of N24 per share.

'Dangote Industries Ltd increased its shareholding in Dangote Cement Plc from 85.06% to 85.75% during the year 2019

24.4 Significant restrictions

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

24.5 Financial support to consolidated structured entities

During the year, the Company provided financial supports to its subsidiaries for capital development and/or for operational purposes. Assistance rendered were always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

All financial support given on behalf of the subsidiaries have been accounted for as due from related parties and eliminated on consolidation.

The table below shows the financial support given to subsidiaries by the Company during the year:

	2019 N million	2018 N million
Dangote Cement Plc Loan	35,000	55,000
Dangote Flour Mills Plc term loan	-	3,750
NASCON Short term loan	3,300	-
	38,300	58,750

The Group management has continued to show intentions to provide financial supports to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this.

25. Investment in joint ventures

Joint ventures

Company

Name of company	Held by	% ownership interest 2019	% ownership interest 2018	Carrying amount 2019 N mil	Carrying amount 2018 N mil
AG - Dangote Construction Company Ltd		50.00 %	50.00 %	161	161
				161	161
Impairment of investment in joint ventures		- %	- %	(161)	(161)
				-	-

	Group 2019 N mil	Group 2018 N mil	Company 2019 N mil	Company 2018 N mil
AG - Dangote Construction Company Ltd				
At 1 January	-	-	161	161

25. Investment in joint ventures (continued)

Allowance for dimunition in value	-	-	(161)	(161)
	-	-	-	-

The above joint venture is accounted for using the equity method in these consolidated financial statements. The Company 's principal place of incorporation and operation is Nigeria. The Group's ownership interest of 50% was acquired in 2013.

AG Dangote was incorporated on 18 June 2013 with an authorised share capital of 100m units with 50% taken up by Dangote Industries Limited and the remaining 50% taken up by Constructora Andrade Gutierrez S.A.

Summarised below is the financial information in respect of the Joint venture. Information below represent amounts before intragroup eliminations.

Equity accounting is applied because the Group has significant influence. The Financial year end for the Associate is 31st December 2019. The share of profits for the periods prior to 2019 was immaterial and therefore not recognised.

The information in respect of the financial position of the Joint Venture:	2019 N million	2018 N million
Current assets	4,660	6,251
Non-current assets	2,243	2,713
Current liabilities	(7,803)	(8,932)
Non-current liabilities	(324)	(324)
The above amounts of assets and liabilities include the following:	-	-
Cash and cash equivalents	1,223	2
	-	-
Information in respect of the profit or loss and other comprehensive income	-	-
Revenue	2,442	6,511
Loss for the year	(665)	(468)
The Group proportionate share of the Joint venture profit	-	-

26. Investments in associates

Group

Name of company	Held by	% ownership interest 2019	% ownership interest 2018	2019 N million	2018 N million
Societe des Ciments d' Onigbolo		36.58 %	36.58 %	4,961	4,312

	Group 2019 N mil	Group 2018 N mil	Company 2019 N mil	Company 2018 N mil
Societe des Ciments d' Onigbolo				
At 1 January	4,312	3,749	-	-
Share of profit from associate	649	563	-	-
	4,961	4,312	-	-

26. Investments in associates (continued)

Through Dangote Cement Plc, the Group holds an indirect 36.58% (2018: 36.58%) of the voting rights in Societe des Ciments d' Onigbolo, a company incorporated in the Republic of Benin with the Principal activity being the production of cement and related products. The Group has significant influence over the Associate through its participations in key decision making process.

Equity accounting is applied because the Group has significant influence. The Financial year end for the Associate is 31st December 2019. The share of profits for the periods prior to 2019 was immaterial and therefore not recognised.

The following associates are material to the group:

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

27. Other financial assets

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Investment in equity measure at FVOCI (Fair value)				
United Bank for Africa Plc	5,221	5,297	5,221	5,297
Carlye Sub Saharan Funds	20,442	15,055	20,442	15,055
	25,663	**20,352**	**25,663**	**20,352**
Investment in equity measured at FVOCI				
Jaiz International Plc	1,325	1,325	1,325	1,325
Dangote Oil Refinery coy	475	475	475	475
Dangote Fertilizer Limited	98	98	98	98
Ask Petroleum Limited	1	1	-	-
Dangote Energy Equity Resources	5	5	-	-
	1,904	**1,904**	**1,898**	**1,898**
Derivative	39,389	35,417	39,389	35,417
	27,567	**22,256**	**27,561**	**22,250**
Financial assets meaasured at amortised cost investment				
Other financial asset	2,977	2,977	-	-
	2,977	**2,977**	-	-
Financial assets meaasured at amortised cost investment				
Receivables from Projects	2,008	1,977	1,958	1,928
Other loans and receivables	590	433	-	-
	2,598	2,410	1,958	1,928
Loans and receivables (impairments)	(328)	(105)	-	-
Total other financial assets	**72,203**	**62,955**	**68,908**	**59,594**

Loans receiavbles represent receivable from East West Oil and Gas project and Global Sugar Project.

The derivative contracts arise from outstanding foreign exchange forwards contracts on behalf of related parties with Central Bank of Nigeria through its agent banks .

Non-current assets				
Fair value through other comprehensive income	6	6	-	-
Amortised cost	2,977	2,977	-	-
	2,983	**2,983**	-	-
Current assets				
At fair value through profit or loss	39,389	35,417	39,389	35,417

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
27. Other financial assets (continued)				
Fair value through other comprehensive income	27,561	22,250	27,561	22,250
Amortised cost	2,270	2,305	1,958	1,927
	69,220	**59,972**	**68,908**	**59,594**
	72,203	**62,955**	**68,908**	**59,594**

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Finished goods	23,124	29,403	-	-
Raw materials and components	51,061	55,591	-	-
Goods in transit	15,362	17,824	-	-
Engineering spares and other stocks	26,979	21,954	-	-
Work in progress	14,940	17,648	-	-
Merchandise	70,632	34,217	-	-
Chemicals and consumables	55,306	44,853	-	-
Packaging materials	5,751	5,646	-	-
	263,155	227,136	-	-
Allowance for obsolete inventory	(355)	(496)	-	-
	262,800	**226,640**	-	-

The cost of inventories recognised as an expense during the year was N 453.00 billion (2018-N 473.75 billion) in consolidated financial statements.

The amount recognised as obsolescence during the year was N355.00 billion (2018; N496 -billion) for Group.

No inventory was pledged as security during the year (2018: same).

28. Trade and other receivables

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Trade debtors	51,387	57,776	-	-
Impairment allowance on trade receivables	(1,201)	(1,816)	-	-
	50,186	55,960	-	-
Staff loan and advances	3,410	2,208	201	210
Prepayments	8,180	11,885	-	-
Deposits	16,099	19,475	-	-
VAT receivable	60	35	1	1
Dangote Multi-purpose co-operative society	-	411	-	411
Related party (Note 41.3)	131,993	117,936	209,379	200,188
Withholding tax on dividend	2,482	4,288	788	1,519
Other receivable (Note 29.1)	48,978	49,201	8,817	2,752
	211,202	187,546	219,186	205,081
Allowance for doubtful receivables - related party	(2,655)	(2,602)	(1,440)	(1,440)
Allowance for doubtful receivables - other receivables	(236)	(496)	-	-
	258,497	240,408	217,746	203,641

28.1 Other Receivable
Other receivable is made up of:

	Group 2019	Group 2018	Company 2019	Company 2018
Deposit for assets	-	42,767	11	11
DIL clearing account	1	-	1	-
Insurance claim receivable	-	3	3	3
Interest receivable	1,973	271	1,896	271
Other sundry debtors	47,004	6,160	6,906	2,467
	48,978	49,201	8,817	2,752

Trade receivables

The average credit period on sales of goods for the Group is as shown below:

Of the trade receivables balance at the end of the year in the consolidated financial statements,N668.8 million (2018 N537 million) is due from the Group's largest trade debtor. There are no other customers who represent more than 10% of the total balance of trade receivables of the Group.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 720 days past due, except where there is adequate security, because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year.The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off is subject to enforcement activities.

28. Trade and other receivables (continued)

Trade receivables are considered to be past due when they exceed the credit period granted. The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

			Group Group			
31/12/2019	**Not past due** **N'million**	**<30** **N'million**	**31-60** **N'million**	**61-90** **N'million**	**>90** **N'million**	**Total** **N'million**
Expected credit loss rate	0.2 %	0.7 %	0.2 %	- %	76.6 %	-
Estimated total gross carrying amount at default	9,311	2,123	1,082	7	1,456	13,979
Lifetime ECL	**32**	**26**		**-**	**1,161**	**1,201**

			Group			
31/12/18	**Not past due** **N'million**	**<30** **N'million**	**31-60** **N'million**	**61-90** **N'million**	**>90** **N'million**	**Total** **N'million**
Expected credit loss rate	1.0 %	0.0 %	0.3 %	2.7 %	89.0 %	-
Estimated total gross carrying amount at default	9,855	4,455	805	111	1,400	16,626
Lifetime ECL	**115**	**-**		**5**	**1,716**	**1,816**

29. Other Investments

	Group		Company	
	2019 **N mil**	**2018** **N mil**	**2019** **N mil**	**2018** **N mil**
Capital Contribution in Dangote Oil Refining Company Ltd(DORCL)	152,842	176,286	152,842	176,286
Capital Contribution in Dangote Fertilizer Ltd(DFL)	299,026	243,999	299,026	243,999
	451,868	**420,285**	**451,868**	**420,285**

The Directors executed an agreement in 2018 with Dangote Oil Refining Company Ltd and Dangote Fertilizer Ltd to convert the outstanding related party loan (principal and interest) as at 30th June, 2018 as disclosed in note above for the funding of their projects as Capital Contribution to the respective company's equity. The loans are still active and additional loan were given during the 2019

30. Prepayments

	Group		Company	
	2019 **N mil**	**2018** **N mil**	**2019** **N mil**	**2018** **N mil**
Prepaid rents and rates	3,058	4,085	1	65
Prepaid insurance	295	13	290	9
Prepaid housing & medicals	80	35	1	23
Advance payment to contractors (Note 31.1)	64,237	45,599	-	-
Prepaid medicals & housing	554	16,364	391	321
Deposit for imports (Note 31.2)	8,828	14,942	-	-
Other prepayments	2,021	2,212	1,454	-

30. Prepayments (continued)

	79,073	83,250	2,137	418
Current	27,840	30,940	2,137	418
Non-current	51,233	52,310	-	-
Total	79,073	83,250	2,137	418

30.1 Advances to contractors represent various advances for the purchase of LPFO and AGO together with advances for the construction of plants and other materials which were not received at the year end.

30.2 Deposit for imports represent letters of credit with various banks for importation of goods and deposit for raw salt which have not been received at year end.

30.3 Other prepayment relates to unamortised balance on advertisement and other related expenses paid in advance

31. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Cash on hand	22	25	4	4
Bank balances	592,369	545,468	459,635	409,490
Short-term deposits	234,459	245,424	182,428	156,889
Open Market Operation bills	13,092	61,337	-	40,000
Cash and bank balances	839,942	852,254	642,067	606,383
Bank overdraft (Note 32)	(1,102)	(7,368)	-	-
Cash and cash equivalents	838,840	844,886	642,067	606,383
Current assets	839,942	852,254	642,067	606,383
Current liabilities (Note 32)	(1,102)	(7,368)	-	-
	838,840	844,886	642,067	606,383

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
32. Financial liabilities				
Secured borrowings at amortised cost				
Bank overdraft (Note 32)	1,102	7,368	-	-
Term loan (Note 32.2)	1,327,410	1,023,202	1,426,780	991,597
Bulk commodities	19,701	17,880	-	-
Interest payable on loans	16,476	10,552	-	-
Power loan	-	75	-	-
Debentures	-	39	-	-
Total secured borrowings	**1,364,689**	**1,059,116**	**1,426,780**	**991,597**
Unsecured borrowings at amortised cost				
Loan from related entities (Note 41.4)	602,943	341,611	465,438	262,338
Held at amortised cost				
Term loan	1,366,551	1,062,343	1,426,780	991,597
Subordinated loans	127,599	29,214	-	-
Bulk commodities	-	17,765	-	-
Interest payable on loans	16,476	10,552	-	-
Bulk Commodities loan	19,701	17,880	-	-
Loans from related entity (Note 41.4)	602,943	341,611	465,438	262,338
Bank overdraft	1,102	7,368	-	-
Power loan	-	75	-	-
Debentures	-	39	-	-
	2,134,372	**1,486,847**	**1,892,218**	**1,253,935**
Non-current liabilities				
At amortised cost	1,649,305	1,296,027	1,426,780	991,597
Current liabilities				
At amortised cost	485,067	282,333	465,438	262,338
Total borrowings	**2,134,372**	**1,578,360**	**1,892,218**	**1,253,935**

32.1. Bank overdraft

The overdrafts which are from various banks are secured on fixed and floating assets of Dangote Industries Limited and their applicable rates range from 10% to 15%.

32.2. Term loans

	2019 N' million	2018 N' million	2019 N' million	2018 N' million
At January	1,059,116	814,067	991,597	732,507
Addition during the year	425,570	353,478	545,580	367,519
Accrued Interest	37,372	28,987	37,372	28,987
Exchange difference during the year	(27,525)	(5,328)	(27,525)	(5,328)
Repayments	(129,844)	(132,088)	(120,244)	(132,088)
As at 31 December	**1,364,689**	**1,059,116**	**1,426,780**	**991,597**
Due within one year	120,244	272,599	120,244	132,088

Notes to the Consolidated and Separate Financial Statements for the year ended December 31, 2019

Due after one year	1,244,445	786,517	1,306,536	859,509

The term loans are commercial papers and other short term loans obtained from various banks and secured on fixed and floating assets of Dangote Industries Limited and Dangote Cement PLC. The applicable rates range from 10% to 15% and the repayment period for these loans is between one and ten years.

During the year 2018, Dangote industries Ltd secured AFREXIM and DFI loan of N232 billion and N152billion respectively to finance strategic operations The N590 billion term loan in Dangote Industries Limited (DIL) represents the draw down from the USD3.25 billion syndicated loan coordinated by Standard Chartered Bank. The loan is for a tenor of Seven (7) years expected to be fully repaid by 31, August 2020 after a 3 year moratorium period. The facility is secured on all the shares of Dangote Industries Limited in Dangote Cement PLC, Dangote Sugar Refinery PLC and NASCON Allied Industries Plc.

	Currency	Nominal interest rate	Group Maturity on demand	31 December 2019	31 December 2018
				N mil	N mil
Bank overdrafts	Naira	10-15%	On demand	1,102	7,368
Term Loan	Naira &USD	10-15%	On loan tenor	1,327,410	1,023,202
Loan from related entity	Naira	10%	On demand	-	-
Loan from parent company	Naira &USD	3%	On demand	602,943	341,611
Others	Naira	10-15%	On loan tenor	202,917	206,179
Total borrowings				**2,134,372**	**1,578,360**

	Currency	Nominal interest rate	Company Maturity on demand	31 December 2019	31 December 2018
				N mil	N mil
Bank overdrafts	Naira	10-15%	On demand	-	-
Term Loan	Naira &USD	10-15%	On loan tenor	1,426,780	991,597
Loan from related entity	Naira	10%	On demand	-	-
Loan from parent company	Naira &USD	3.5%	On loan tenor	465,438	262,338
Total borrowings				**1,892,218**	**1,253,935**

The maturity profile of borrowings are as follows:

	Group 2019	2018	Company 2019	2018
	N million	N million	N million	N million
Due within one month	-	7,368	-	-
Due from three to twelve months	485,067	282,333	465,438	262,338
Total current portion repayable in one year	**485,067**	**289,701**	**465,438**	**262,338**
Due in second year	318,221	150,089	292,826	277,000
Due in third year	211,715	318,221	292,826	292,826
Due in fourth year	625,736	211,715	128,945	292,826
Due in fifth year and further	493,633	616,002	712,183	128,945
Total long-term portion of loans and borrowings	**1,649,305**	**1,296,027**	**1,426,780**	**991,597**
	2,134,372	1,578,360	1,892,218	1,253,935

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
33. Trade and other payables				
Trade payables	50,353	55,157		-
Other payables and accruals				
Accruals	62,604	8,472	3,056	942
Other creditors	141,709	50,681	18,279	16,657
Payable to contractors	63,278	14,266	-	-
Deferred income	82	884	-	687
Deposits from customers	184,741	116,191	-	-
Related party payable (Note 40)	129,122	97,887	99,834	90,157
Withholding tax payable	16,662	6,948	174	74
VAT	7,041	4,392	-	-
Pension payable (Note 34.1)	421	492	22	23
Dividend payable	3,113	3,493	-	-
Directors Currents account	4,100	17,893	4,278	18,050
Staff cost payable	1,537	2,342	510	1,179
Accrued audit fees	160	162	44	57
	614,570	**324,103**	**126,197**	**127,826**
	664,923	361,367	126,197	127,826

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Deposit from customer ralate to cash paid to the Group by customers, for which the Group has not yet provided goods or services in exchange.

34. Retirement benefits obligation

34.1 Defined contribution plan

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
At 1 January	492	293	23	21
Addition in the year	432	785	242	219
Payment	(503)	(586)	(243)	(217)
At 31 December	**421**	**492**	**22**	**23**

Outstanding staff pension deductions that have not been remitted as at year end have been accrued for in accordance with the Pension Reform Act, 2014. The employees of the Group are members of a state arranged Pension scheme which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions. The Group contributing 10% and employees 8% each of the employees' emoluments.

The total expense recognised as part of the employee cost in profit or loss of N2.12billion (2018: N2.17 billion) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

34. Retirement benefits obligation (continued)

34.2 Defined benefit plan

The Group operated funded defined benefit plan (gratuity) for qualifying employees in Nigeria. Under the plan, the employees were entitled to retirement benefits on attainment of a retirement age of 55. No other post-retirement benefits are provided to these employees. This scheme was however discontinued in 2013.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk and salary risk. No acturial valuation was done for the company as they cease to accrue for staff gratuity with effect from 1 July 2013.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities and money market instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest rate risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

34.2.1 Retirement benefit obligation

The amount included in the consolidated and separate statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Fair value of plan assets	-	(1,023)	-	-
Present value of the defined benefit obligation	2,185	3,277	1,022	1,062
Net liability	**2,185**	**2,254**	**1,022**	**1,062**
Non-current liabilities	(1,205)	(1,284)	(1,022)	(1,062)
Current liabilities	(980)	(970)	-	-
	(2,185)	**(2,254)**	**(1,022)**	**(1,062)**

Movements in net liability is as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	(2,254)	(2,285)	(1,062)	(1,062)
Benefit paid by the employer	70	31	-	-
Curtailment	-	-	40	-
At 31 December	**(2,184)**	**(2,254)**	**(1,022)**	**(1,062)**

35. Deferred income

	Group 2019	Group 2018	Company 2019	Company 2018
Non-current liabilities	369	516	-	-
Current liabilities	149	314	-	-
	518	**830**	-	-

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

35. Deferred income (continued)

The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012. Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

36. Provisions

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Non-current liabilities	3,684	2,753	-	-
Current liabilities	-	5	-	-
	3,684	2,758	-	-

Provisions for liabilities and other charges

Cost				
At 1 January	2,758	3,455	-	-
Provision made during the year	701	(313)	-	-
Unwinding of discount	343	260	-	-
Transfer to short term	-	(476)	-	-
Effect of foreign exchange differences	(118)	(168)	-	-
31 December	3,684	2,758	-	-

The Group's obligations to settle environmental restoration and dismantling / decommissioning cost of property, plant and equipment. The expenditure is expected to be utilised at the end of the useful lives for the mines which is estimated to be between the year 2025 to 2035.

37. Financial instruments

37.1.1 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its capital structure. The capital structure of the Group consists of net debt (borrowings as detailed in note 32 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below;

Gearing ratio

The gearing ratio at year end is as follows:

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

37. **Financial instruments (continued)**

Gearing Ratio

		Group		Company	
		2019 N mil	2018 N mil	2019 N mil	2018 N mil
Total borrowings					
Financial liabilities	32	2,134,372	1,578,360	1,892,218	1,253,935
		2,134,372	1,578,360	1,892,218	1,253,935
Less: Cash and cash equivalents	31	838,840	844,886	642,067	606,383
Net debt		1,295,532	733,474	1,250,151	647,552
Total equity		2,236,724	2,324,739	1,262,690	1,144,043
Total capital		3,532,256	3,058,213	2,512,841	1,791,595
Gearing ratio		60 %	52 %	75 %	70 %

i. Debt is defined as both current and non-current borrowings.

ii. Equity includes all capital and reserves of the company that are managed as capital

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net gearing ratio which provides benefits of trading on equity without exposing the group to any undue long term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

Categories of financial instruments

	Group		Company	
Financial assets - Loans and receivables	2019 N million	2018 N million	2019 N million	2018 N million
Cash and bank balances	592,391	545,493	459,639	409,494
Open market operation	13,092	61,337	-	40,000
Short-term deposits	234,459	245,424	182,428	156,889
Trade and other receivables	258,497	240,408	217,746	203,641
	1,098,439	1,092,662	859,813	810,024
Financial assets - Available for sale				
Investment in equity	27,567	22,256	27,561	22,250
Financial assets - Held to Maturity				
Other financial asset	2,977	2,977	-	-
Financial Liabilities at amortised cost				
Trade and other payables (b)	664,922	361,367	126,197	127,826
Borrowings	2,134,372	1,578,360	1,892,218	1,253,935
Total financial liabilities	2,799,294	1,939,727	2,018,415	1,381,761

	Group		Company	
	2019	2018	2019	2018
	N mil	N mil	N mil	N mil

37. Financial instruments (continued)

37.1.2. Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.10.

37.2 Financial risk management

The Group is exposed to market risk, credit risk and liquidity risks. The parent company's internal audit and risk management team is responsible for monitoring its exposure to each of the mentioned risks. This policy provides guidance over all treasury and finance-related matters and is underpinned by delegated authority guidelines and detailed procedures. The main objectives of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business, to maintain the integrity and liquidity of the investment portfolio, and to manage the impact of foreign exchange and interest rate volatility on the Company's net income.

37.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are affected by interest rate risk and foreign exchange currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables and trade and other payables. Market risk exposures are measured using sensitivity analysis.

37.2.2 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group			
	Liabilities		Assets	
	2019	2018	2019	2018
	N million	N million	N million	N million
USD	156,648	269,921	9,442	35,580

	Company			
	Liabilities		Assets	
	2019	2018	2019	2018
	N million	N million	N million	N million
USD	5,375	2,500	5,231	2,635

37.2.3 Foreign currency sensitivity analysis

USD Exposure

The Group carries out certain transaction in USD as such is exposed to variation in exchange rate movement. The Group does not utilise any derivative financial instruments to hedge against these exposures.

The following table details the Group's and Company's sensitivity to a 3% increase and decrease in the Naira against the US Dollar. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

37. Financial instruments (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Naira strengthens 3% against the relevant currency. For a 3% strengthening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Profit or loss	(4,416)	(7,030)	-	-

37.2.4 Interest rate risk

The Company is exposed to interest risk via floating rate interest bearing loans which are tied to the Monetary Pricing Rate in Nigeria.

The following table details the sensitivity to a 2% increase or decrease in MPR which is the range of margin by which the CBN's long term outlook for 2019 expects changes to occur.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Profit or loss	42,687	31,567	37,844	25,079

37.2.5 Price risk

The Group is exposed to commodity price risk. This risk arises from the Group's need to buy specific quantity and quality of raw materials. The risk is partly mitigated by buying these raw materials several months in advance of use.

The Group is also exposed to equity price risks arising from changes in the market price of equity investments held by the Company and major subsidiaries; Dangote Cement PLC, Dangote Sugar Refinery PLC, Dangote Flour mills PLC and NASCON Allied Industries PLC.

Equity price sensitivity analysis

The Sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting period.

If the equity prices had been 10% higher/ lower, profit for the year ended 31 December 2019 would have been unaffected as the equity investments are classified as available for sale; and other comprehensive income for the year ended 31 December 2019 would increase/ decrease by N176 (Million) (2018: N161 (Million)) as a result of the changes in fair value of available for sale shares. The Company's sensitivity to equity prices has not changed significantly from the prior year.

37.2.6 Credit risk management

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics. There is no material single obligor exposure to report.

37. Financial instruments (continued)

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Financial assets- Loans and receivables				
Cash and bank balance	592,391	545,493	459,639	409,494
Open market operation	13,092	61,337	-	40,000
Short term deposits	234,459	245,424	182,428	156,889
Trade and other receivables	258,497	240,408	217,746	203,641
	1,098,439	**1,092,662**	**859,813**	**810,024**
Financial assets- held to maturity				
Other financial asset	2,977	2,977	-	-

37.2.7 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares.

The Group's policy is that not more than 40% of borrowings should mature in the next 12-month period. 33% of the Group's debt will mature in less than one year at 31 December 2019 (2018: 33%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

37.2.8 Liquidity maturity table

The following tables detail the Group's and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

Group

At December 31, 2019	1 month N million	1– 3 months N million	3 mths – 1year N million	1 - 5 years N million	Total N million
Borrowings	134,696	274,938	450,866	1,273,872	2,134,372
Trade payables	-	7,967	42,386	-	50,353
Other payables	-	34,652	77,445	373,351	485,448
Due to related parties	18,976	10,716	21,115	78,315	129,122
	153,672	328,273	591,812	1,725,538	2,799,295

At December 31, 2018	1 month N million	1– 3 months N million	3 mths – 1year N million	1 - 5 years N million	Total N million
Borrowings	25,361	54,775	329,556	1,168,668	1,578,360
Trade payables	-	8,737	46,485	-	55,222
Other payables	-	108,258	137,135	341,822	587,215
Due to related parties	21,267	11,156	27,119	38,345	97,887

37. Financial Instruments (continued)

	46,628	182,926	540,295	1,548,835	2,318,684

Company

At December 31, 2019	1 month N million	1–3 months N million	3 mths – 1year N million	1 - 5 years N million	Total N million
Borrowings	40,710	31,194	604,533	1,215,781	1,892,218
Trade payables	-	-	-	-	-
Other payables	16,178	218	670	9,297	26,363
Due to related parties	22,000	3,777	4,157	69,900	99,834
	78,888	35,189	609,360	1,294,978	2,018,415

At December 31, 2018	1 month N million	1–3 months N million	3 mths – 1year N million	1 - 5 years N million	Total N million
Borrowings	28,293	21,679	359,008	844,955	1,253,935
Trade payables	-	-	-	-	-
Other payables	18,428	249	763	4,513	23,953
Due to related parties	20,007	3,435	16,230	64,201	103,873
	66,728	25,363	376,001	913,669	1,381,761

38. Share capital

	Group 2019 N mil	Group 2018 N mil	Company 2019 N mil	Company 2018 N mil
Authorised				
2,000,000,000 Ordinary shares of N1 each	2,000	2,000	2,000	2,000
Issued				
1,000,000,000 Ordinary shares of N1 each	1,000	1,000	1,000	1,000

39. Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and bank balances and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss.

The fair values of loans and borrowings are determined using the effective interest method. For loans and borrowings payable at fixed rates fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period. Management has determined that the fair value of loans and borrowings is not significantly different from their carrying amount.

39.1.1 Hierarchy of fair value information

The Group's investment in quoted shares (available for sale investments) are measured at fair value at the end of each reporting period. The inputs used for the valuation are the quoted market price at the Nigeran stock exchange which is the active market for the investments.

40. Related parties

40.1 Ultimate controlling party

The ultimate control party is Alhaji Aliko Dangote who owns Greenview International Corp. of Cayman Island which has 99.9% ownership interest in the Dangote Industries Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company have been eliminated at the group level on consolidation. Details of transactions between the Group and the Company, and other related parties are disclosed below:

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing.

40.2 Trading transactions

Balances and transactions emanating from trading activities between the companies within the Group have been eliminated on consolidation. Dangote Industries Limited is not a trading company.

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

40.3 Outstanding balances

During the year the Company had dealings with subsidiaries and related companies. The balances emanating from the transactions which have been disclosed in the balance sheet as due from subsidiaries and related companies as well as due to related companies are as analysed below:

		Group		Company	
		2019 N mil	2018 N mil	2019 N mil	2018 N mil
Amounts due from related parties					
Subsidiaries	40.3	-	-	95,035	100,159
Entities under common control	40.3	131,993	117,936	114,344	100,029
Allowance for doubtful balances		(2,655)	(2,602)	(1,440)	(1,440)
		129,338	**115,334**	**207,939**	**198,748**
Amounts due to related parties					
Subsidiaries	40.3.1	-	-	739	890
Entities under common control	40.3.1	129,122	97,887	99,095	89,267
		129,122	**97,887**	**99,834**	**90,157**

The following balances were outstanding at the end of the reporting year:

Due from subsidiaries				
Dangote Cement Plc	-	-	1,779	8,244
Integrated Steel Limited	-	-	5,759	5,741
DANCOM Technologies Limited	-	-	5,056	8,025
Nascon Allied Industries Plc	-	-	1,186	725
Greenview Development Nigeria Limited	-	-	1,510	1,066
Dangote Agrosacks Limited	-	-	1,194	2,791
Dangote Rice Limited	-	-	60,565	36,180
Dangote Oil and Gas Limited	-	-	4,885	4,474
Dangote Sugar Refinery Plc	-	-	2,383	(644)

40. Related parties (continued)

Savannah Sugar Company Limited	-	-	8	8
Dangote Noodles	-	-	445	1,858
Twister B	-	-	4,114	2,991
GDNL Terminals	-	-	3	3
Dangote Sinotrucks West Africa	-	-	6,148	28,697
	-	-	95,035	100,159

40. Related parties (continued)

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Due from entities under common control				
Dangote Nigeria Limited	3,222	4,062	3,222	4,062
Dangote Transport Nigeria Limited	3,417	3,257	3,064	3,064
AG Dangote Construction	1,566	1,215	1,566	1,215
Dangote Fertilizer Limited	50,517	49,112	50,511	49,106
Blue Star Oil Services Limited	1,349	1,349	1,349	1,349
Blue Star Service (Rice)	863	863	863	863
Dangote General Services Limited	126	126	126	126
Nigeria Textiles Mills Limited	451	451	451	451
Dangote Industries Free Trade Zone Management	16,639	16,161	16,639	16,161
DNL Central Stores	349	349	349	349
Salamed Venture Limited	1,350	1,350	1,350	1,350
Sigma Agro Allied Product	948	1,144	948	1,144
Lau Sugar Project Yola	205	205	205	205
Kura Holding	15	(8)	15	(8)
Dangote Ceramics	94	82	94	82
Dangote Oil Refinery Company Limited	6,987	2,864	6,987	2,864
Dangote Cement Indian	2	2	2	2
Dangote University	4	4	4	4
Others (notes 41.1a)	32,185	23,256	14,895	5,548
Dangote Exploration Assets Limited	700	694	700	694
DANSA	11,004	11,398	11,004	11,398
	131,993	117,936	114,344	100,029
Total amount due from related companies	**131,993**	**117,936**	**209,379**	**200,188**
Allowance for doubtful receivables	(2,655)	(2,602)	(1,440)	(1,440)
Net amount due from related companies	129,338	115,334	207,939	198,748

Notes 41.1a Others includes				
Dangote Coal Mining Ltd	2,191	2,074	2,191	2,038
Dangote Granite Ltd	2,054	1,754	2,054	1,754
MHF Properties Ltd	399	135	399	203
DIL Sheretti (A) Districts	62	62	62	62
DIL Strategy Supplies	3,163	3,163	-	-
West Africa Exploration Production Coy	4,296	785	4,296	854
Dangote Freight	1,413	413	-	-
Dangote Fisheries Nigeria Ltd	1,500	1,500	-	-
BlueStar Clearing	7,233	10,529	-	-
Dangote Foundation	3,981	2,841	-	-
First E &P Ltd	343	-	343	343
Dangote Tomatoes Ltd	157	-	157	255
Dangote Diaries Farm Ltd	76	-	76	25
Solar Plant Project	1	-	1	1
Road Construction Project	5,312	-	5,312	10
Kura Aviation Ltd	4	-	4	3
	32,185	23,256	14,895	5,548

40.3.1The following balances were payable to related parties at the end of the reporting year:

Due to subsidiaries

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
40. Related parties (continued)				
DIL Power Limited	-	-	27	27
Dangote Aviation Services Ltd	-	-	465	465
Dangote Flour Plc (Sub)	-	-	216	367
Others	-	-	31	31
	-	-	739	890

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
40. Related parties (continued)				
Due to entities under common control				
Alheri Engineering Nigeria Limited	10,734	13,739	10,734	13,739
Dangote Pasta Limited	2,733	2,733	2,733	2,733
Development Project Corporation Limited	18,808	18,777	18,808	18,808
Dangote Port Operations Limited	1,905	2,608	1,905	2,608
Dangote Oil Refinery Company Limited	(59)	4	-	-
Greenview International Corp.	33,962	21,538	33,962	21,538
Bulk Commodities International Inc.	34,829	31,143	30,585	29,744
Dangote Cement	-	478	-	-
Others	26,210	6,867	368	97
	129,122	**97,887**	**99,095**	**89,267**
Current portion	129,122	97,887	99,834	90,157
Non current portion	-	-	-	-
	129,122	97,887	99,834	90,157

40.4 Loan from related entity

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	341,611	99,309	262,338	99,309
Addition during the year	261,332	242,302	203,100	163,029
At 31 December	**602,943**	**341,611**	**465,438**	**262,338**

Except as described in note above, the Group has been provided loans at rates and terms comparable to the average commercial rate of interest terms prevailing in the market. The loans are unsecured.

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil

40. Related parties (continued)

40.5 Loans to related entities

	Group 2019 N mil	Group 2018 N mil	Company 2019 N mil	Company 2018 N mil
Subsidiary				
Subordinated loan	-	-	-	-
African Assets Loan (a)	-	-	-	-
Short Term Loan Dangote Cement Plc	-	-	35,000	55,000
Nascon short term account	-	-	3,300	-
Medium term loan to Dangote Flour Mills Plc	-	-	-	3,750
	-	-	38,300	58,750
Other related party				
Dangote Fertilizer Ltd	36,294	31,333	36,294	31,333
Dangote Oil Refining Ltd	1,716,415	1,061,917	1,716,415	1,061,917
	1,752,709	1,093,250	1,752,709	1,093,250
	1,752,709	1,093,250	1,791,009	1,152,000

(a) Short Term Loan

The Company granted a Short Term loan to Dangote Cement Plc and NASCON Allied Company Plc for there working capital needs with interest at 10% per annum. However, the loan is still performing during the year.

(b) Dangote Industries Limited facilitated intercompany loan of N1,716 billion and N36 billion to Dangote Oil Refining Company Limited and Dangote Fertilizer Limited respectively during the year to facilitate project needs. The loan facility is at an interest rate of 7.1% per annum accrued on a monthly basis and repayable on demand.

40.6 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	Group 2019 N mil	Group 2018 N mil	Company 2019 N mil	Company 2018 N mil
Short - Term benefits: Salaries and Emoluments	42,183	38,551	715,948	693

Related party transactions

40.7 Dansa Foods Processing Company Limited

The Company granted working capital loan of N11.45billion to Dansa Foods processing company Limited for 4 years. The working capital facility is repayable quarterly effective from 1 January 2013 at an interest rate of 10% per annum.

40.8 Dangote Sugar Refinery Plc

Dangote Sugar Refinery Plc is a subsidiary of Dangote Industries Limited (DIL). During the year, there were additional intercompany transactions .

40. Related parties (continued)

40.9 NASCON Allied Industries Plc

NASCON Allied Industries Plc is a subsidiary of Dangote Industries Limited (DIL). During the year,there was additional intercompany transactions and working capital loan facilities of N3.3billion at interest rate of 10% per annum.

40.10 Dangote Cement Plc

Dangote Cement Plc is a subsidiary of Dangote Industries Limited (DIL). During the year,there was additional intercompany transactions and existing working capital loan facilities of N35billion at interest rate of 10% per annum, .

40.11 Dangote Transport Nigeria Limited

Dangote Transport Nigeria Limited is a related company to Dangote Industries Limited. Companies in the Group had transactions with Dangote Transport with respect to haulage of finished products to plants and customers.

40.12 Bulk Commodities

Bulk Commodities, a Dubai based entity, provides support in organisation of the carriage and freight for fixed assets and spare parts purchased.

40.13 Dangote Oil and Gas Company Limited

Dangote Oil and Gas Company Limited was acquired in 2005 and the investment was carried in the books up till 2011 when it was consolidated. However, the Company is yet to commence business operations.

40.14 Savannah Sugar Company Limited

The Company was acquired in 2003 and the investment was carried in the books up till 2010 when it was consolidated.Currently,Savannah Sugar Company is fully owned subsidiaries of Dangote Sugar Refineries Plc

40.15 Integrated Steel Plc

The Company was acquired in 2005 and the investment was carried in the books up till 2010 when it was consolidated. However, the Company is yet to commence business operations.

40.16 Alheri Engineering Company Limited

The balance relates to Directors' investment in Alheri Mobile Services Limited, a subsidiary of Alheri Engineering Company Limited. The investment was disposed in January 2011 at a proceed of N33 billion.

40.17 Sephaku Cement Limited SA

Dangote Industries Limited (DIL) increased its investment in Sephaku Cement Limited from 19.76% to 64% in September 2010 and transferred this investment to Dangote Cement Plc. on 21 March 2011.

40.18 Dancom Technologies Limited

The Company provides telecommunication services to all the companies in the Dangote Industries Limited Group and the companies related to the "Group".During the year, there were additional intercompany transactions

40.19 Dangote Flour Mills Plc

The Company is a public limited liability company incorporated in Nigeria as a subsidiary to Dangote Industries Limited (DIL). The principal activities of the Group is milling of wheat and production of wheat products. During the year, Dangote Industries Ltd disposed all its controlling interest to Olam Internation Company at agreed consideration on the floor of Nigeria Stock Exchange

40.20 Dangote Aviation services limited

The Company was incorporated in September 2013 as a subsidiary to Dangote Industries Limited (DIL). The Company is yet to commence operation.

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

40. Related parties (continued)

40.21 Twister B.V.

The Company is a private company incorporated in Netherland. The principal activities include natural gas processing and separation to the upstream and midstream oil and gas sectors.

40.22 Dangote Sinotruk West Africa Limited

The Company was commenced operation in April 2017 as a subsidiary to Dangote Industries Limited (DIL). The principal activities include assemblage and sal of trucks.During the year, there were additional intercompany transactions.

Ultimate holding company	Greenview International Corp.
Holding company	Greenview International Corp.

Related party transactions

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
Compensation to and other key management				
Short-term employee benefits	4	6	-	-

41. Reconciliation of profit to net cash provided by operating activities

		Group		Company	
		2019 N mil	2018 N mil	2019 N mil	2018 N mil
Profit before taxation		255,043	339,331	314,336	167,099
Adjustments for:					
Depreciation of property, plant and equipment		111,939	113,315	485	478
Amortisation of intangible assets		4	134	4	131
Loss/(profit) on sale of non-current assets and disposal groups		20	106	(89,220)	-
Loss/ (gain) on disposal of PPE		-	(71)	-	-
Profit from equity accounted investments	25&26	(649)	(563)	-	-
Accrued interest income		(142,715)	(111,649)	(140,889)	(106,603)
Accrued dividends income		(64)	(897)	(259)	(260)
Accrued finance costs		184,182	125,737	129,643	67,582
Fair value adjustments		-	-	-	(1,202)
Impairment of Property, plant and equipment		345	637	-	-
Movements in operating lease assets and accruals		5,743	-	-	-
Novement in working Capital					
Trade and other receivables		14,880	33,264	(11,781)	765
Related party receivable		(5,922)	54,612	(9,114)	(30,989)
Prepayments		3,567	(15,775)	(1,719)	2,825
Trade and other payables		232,116	56,819	8,048	8,430
Related party payable		21,463	(124,636)	(9,677)	(7,542)
Inventories		(36,322)	(42,674)	-	-
Deferred tax assets		(8,110)	11,616	-	-
Deferred tax liability		10,221	27,576	-	-

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
41. Reconciliation of profit to net cash provided by operating activities (continued)				
Other financial assets	(9,248)	1,956	(9,314)	2,107
Deferred income	(312)	(317)	-	-
Retirement benefit assets and liabilities	(69)	(54)	(40)	(39)
Provisions	931	(700)	-	-
	637,043	467,767	180,503	102,782

42. Tax (paid) refunded

At 1 January	(31,257)	(46,277)	(11,204)	(14,018)
Current tax for the year recognised in profit or loss	(55,007)	24,999	(689)	(3,757)
At 31 December	67,875	31,257	9,512	11,204
Net Tax refunded (paid)	**(18,389)**	**9,979**	**(2,381)**	**(6,571)**

43. Contingent assets and liabilities

Contingent liabilities

No provision has been made in these consolidated financial statements for contingent liabilities in respect of pending litigation amounting to N82.789 billion (2018 - N74.6 billion) as the directors are of the opinion, based on solicitors' advice, that they have good defence against the actions and that there is no likelihood of any loss arising therefrom. The amount attributable to the Company in respect of contingent liabilities as at 31 December 2019 was N6.476 billion (2018 - N8.3billion).

44. Capital Commitments

Capital expenditure commitments for the Group at 31 December 2019 was N133.678 billion (2018 - N214.2 billion). The capital commitment for the Company as at 31 December 2019 - N2.635 billion (2018 - N115.6billion).

45. Management fee

The Company entered into a service agreement with its subsidiaries in January 2006 for an initial period of five years with an option to renew for a further period of five years subject to termination by either party in accordance with the terms of the agreement. As consideration for the services provided, a sum equivalent to 2% of the net revenue of each subsidiary's sales is payable to Dangote Industries Limited. Management fees received from subsidiaries for the year ended 31 December 2019 amounted to NGN 5.3 billion (2018 - NGN 5.01 billion).

However, the agreement was discontinued in 2014 in replacement with transfer pricing for Dangote Sugar Refinery PLC, NASCON PLC, Dangote Agrosacks Limited and Dangote Cement PLC.

46. Events after the reporting period

Other than the issue noted below,the Directors are of the opinion that there were no post balance sheet events that could have material effect on the state of affairs of the Company at 31 December 2019 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

On the 30th of January, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of Coronavirus, which has been code-named COVID-19. The WHO, however, on March 11th, 2020 declared the outbreak as a pandemic, and it has continued to spread globally. As at the date of this report, several cases have been confirmed in Nigeria by the Nigeria Centre for Disease Control.
Measures taken to contain the spread of COVID-19 affected economic activities as the President of the Federal Republic of Nigeria directed a restriction/cessation of movement in Lagos State, Ogun State and the Federal Capital Territory (FCT) Abuja. Commercial establishments including food processing, distribution and retail companies were however exempted. Operating as one of the commercial establishments in food processing and distribution, the company continued operations having activated the Business Continuity Plan (BCP) to ensure all possible disruptions to operations were addressed while minimizing the effect of COVID-19 on employees, suppliers and other key stakeholders. Within the lockdown period, employees on essential duty were transported safely between their homes and the company's premises, whilst leveraging technology and online tools to support others working remotely.
In response to the COVID-19 impact on the global economy, the consequent fall in oil prices and reduction in supply of foreign exchange in the country, the Central Bank of Nigeria on the 21st of March 2020,adjusted the official Foreign exchange rate by 17.6% (i.e. increasing it from N306/$1 to N360/$1) whilst the "market-determined" Investor and Exporter window was adjusted by 5.6% (i.e. increasing it from N360/$ to N380/$). Outstanding obligations in respect of Letters of Credit will be impacted by this and other foreign exchange rate adjustments. Furthermore there will be an increase in cost-to-completion in Naira terms, of the company's Backward Integration Programme given that the equipment for this programme is largely imported. Possible delays in establishment of Letters of Credit for importation are anticipated which will have a knock on impact on the programme timelines. The exact impact in terms of amount and timelines extension is yet to be determined.
However, it is reasonably possible, that within the next financial year assumptions used as basis of estimates and judgement could change which may require a material adjustment to the carrying amounts of the assets or liabilities affected.

However,for the group Dangote Cement Plc approved a share buyback programme. -On 22nd January, 2020. The registration process to deploy this programme in 2020 is ongoing and is dependent on various regulatory approvals.

There is an ongoing dispute between Dangote Industries Limited and an adverse party regarding ownership of the mining sites in Obu, Okpella, in Etsako-East Local Government Area (LGA) of Edo State. Okpella Cement Plc (a subsidiary of Dangote Cement Plc), is expected to benefit from the use of these mining sites amongst other mining sites owned by the company when operations commence.
However, The Federal High Court in Benin City, Edo State, in an action for the enforcement of the fundamental human rights of the adverse party/applicant recently granted an interim injunction in favour of the applicant pending the determination of the two cases on the right and ownership of the mining lease.

The Directors of the Company believes that the basis of the ruling is unjustified and an appeal has already been filed against it

47. Comparative figures

Certain comparative figures have been reclassified and restated in line with the presentation in the current year for a more meaningful comparison

48. Finance lease receivables

Gross investment in the lease due	2019 N' million	2018 N' million	2019 N' million	2018 N' million
- within one year	5,967	3,349	-	-
- in second to fifth year inclusive	6,993	7,584	-	-
- later than five years	2,591	-	-	-
	15,551	10,933	-	-
less: Unearned finance income	-	(2,078)	-	-
less: allowance for uncollectable minimum lease payments	-	-	-	-
	15,551	8,855	-	-

48. **Finance lease receivables (continued)**

Non-current assets	2,128	6,475	-	-
Current assets	4,266	2,380	-	-
	6,394	**8,855**	-	-

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period amount to Nil N - (2018: N -).

The group entered into finance leasing arrangements for certain of its motor vehicles and equipment.

The average effective interest rate implicit in the contracts was -% (2018: 14%)

The Group entered into finance lease arrangement for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 4.17 years. During the year the finance lease receivable incresed because of more trucks distributed to customers on lease.
Unguaranteed residual values of assets leased under finance leases at the end of the reporting year are estimated at nil.

The average effective interest rate implicit in the contracts is 14% (2018: 14%) per annum.

The Directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables, the directors of the Company consider that no finance lease receivables is impaired.

The finance lease receivables at the end of the reporting period are neither past due nor impaired.

49. Categories of financial instruments

	Note(s)	Financial assets at fair value through profit or loss	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Categories of financial instruments - Group - 2019								
Assets								
Non-current assets								
Property, plant and equipment	20	-	-	-	-	-	1,412,965	1,412,965
Prepaid operating lease rentals	50	-	-	-	-	-	17,915	17,915
Intangible assets	21	-	-	-	-	-	5,981	5,981
Investments in associates	26	4,961	-	-	-	-	-	4,961
Other financial assets	27	-	6	2,977	-	-	-	2,983
Deferred tax	18	-	-	-	-	-	58,080	58,080
Finance lease receivables	48	-	-	-	-	2,128	-	2,128
Prepayments	30	-	-	-	-	-	51,233	51,233
Other Investments		-	-	-	-	-	451,868	451,868
		4,961	6	2,977	-	2,128	1,998,042	2,008,114
Current assets								
Inventories		-	-	-	-	-	262,800	262,800
Loans to group companies		-	1,752,709	-	-	-	-	1,752,709
Other financial assets	27	-	27,561	-	-	-	41,659	69,220
Finance lease receivables	48	-	-	-	-	4,266	-	4,266
Trade and other receivables	28	-	246,712	-	-	-	11,650	258,362
Prepayments	30	-	-	-	-	-	27,840	27,840
Cash and cash equivalents	31	-	839,942	-	-	-	-	839,942

	Note(s)	Financial assets at fair value through profit or loss	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
49. Categories of financial instruments (continued)								
		-	2,866,924	-	-	4,266	343,949	3,215,139
Non-current assets held for sale and assets of disposal groups	23	-	-	-	-	-	869	869
Total assets		4,961	2,866,930	2,977	-	6,394	2,342,860	5,224,122
Equity and liabilities								
Equity attributable to equity holders of Parent:								
Share capital	38	-	-	-	-	-	1,000	1,000
Reserves	38	-	-	-	-	-	(47,065)	(47,065)
Accumulated profit	38	-	-	-	-	-	2,110,309	2,110,309
		-	-	-	-	-	2,064,244	2,064,244
Non-controlling interest		-	-	-	-	-	172,480	172,480
Total		-	-	-	-	-	2,236,724	2,236,724
Liabilities								
Non-current liabilities								
Financial liabilities	32	-	-	-	1,649,305	-	-	1,649,305
Operating lease liability	51	-	-	-	-	3,722	-	3,722
Retirement benefit obligation	34	-	-	-	-	-	1,205	1,205
Deferred income	35	-	-	-	-	-	369	369
Deferred tax	18	-	-	-	-	-	110,302	110,302
Provisions	36	-	-	-	-	-	3,684	3,684

	Note(s)	Financial assets at fair value through profit or loss	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
49. Categories of financial instruments (continued)								
		-	-	-	1,649,305	3,722	115,560	1,768,587
Current liabilities								
Financial liabilities	32	-	-	-	483,965	-	-	483,965
Current tax payable		-	-	-	-	-	67,875	67,875
Operating lease liability	51	-	-	-	-	2,021	-	2,021
Trade and other payables	33	-	-	-	667,945	(7,123)	4,100	664,922
Retirement benefit obligation	34	-	-	-	-	-	980	980
Deferred income	35	-	-	-	-	-	149	149
Bank overdraft	31	-	-	-	1,102	-	-	1,102
		-	-	-	1,153,012	(5,102)	73,104	1,221,014
Total liabilities		-	-	-	2,802,317	(1,380)	188,664	2,989,601
Total equity and liabilities		-	-	-	2,802,317	(1,380)	2,425,388	5,226,325

50. Right of use assets

Cost				
Additions	20,368	-	-	-
Accumulated amortisation				
Amortisation	(2,453)	-	-	-
Carrying value				
Additions	20,368	-	-	-
Amortisation	(2,453)	-	-	-

Notes to the consolidated and separate financial statements for the year ended December 31, 2019

	Group		Company	
	2019 N mil	2018 N mil	2019 N mil	2018 N mil
50. Right of use assets (continued)				
	17,915	-	-	-

The Group leases several assets including cement depots, residential apartments, trucks, trailers, fleet vehicles, forklifts and land. The terms of the lease ranges from one to twenty years.

51. Lease liability

Non-current liabilities	(3,722)	-	-	-
Current liabilities	(2,021)	-	-	-
	(5,743)	-	-	-

Other National Disclosure

Statement of Value added

	2019 N mil	2019 %	2018 N mil	2018 %
Group				
Value added				
Revenue	1,201,189		1,226,366	
Interest received	142,715		111,649	
Other income	6,556		15,997	
Bought - in materials and services	(703,846)		(594,162)	
Total value added	**646,614**	**100**	**759,850**	**100**
Value distributed				
To pay employees				
Salaries, wages, medical and other benefits	91,022		85,393	
	91,022	**14**	**85,393**	**11**
To pay providers of capital				
Finance costs	184,182		125,737	
Share of profit to Non-controlling interest	35,388		68,602	
	219,570	**34**	**194,339**	**26**
To pay government				
Income tax	59,086		70,227	
Education tax	-		77	
	59,086	**9**	**70,304**	**9**
To be retained in the business for expansion and future wealth creation:				
Depreciation, amortisation and impairments	112,288		114,086	
Deferred tax	4,079		(45,305)	
Retained profit	160,569		341,033	
	276,936	**43**	**409,814**	**54**
Total value distributed	**646,614**	**100**	**759,850**	**100**

Value added represents the additional wealth which the group has been able to create by its own and employees efforts.

Statement of Value added

	2019 N mil	2019 %	2018 N mil	2018 %
Company				
Value added				
Revenue	248,376		170,712	
Interest received	140,889		106,603	
Other income	89,515		308	
Bought - in materials and services	(28,021)		(21,983)	
Total value added	**450,759**	**100**	**255,640**	**100**
Value distributed				
To pay employees				
Salaries, wages, medical and other benefits	6,291		5,293	
	6,291	**1**	**5,293**	**2**
To pay providers of capital				
Finance costs	129,643		82,639	
Dividend paid	-		-	
	129,643	**29**	**82,639**	**32**
To pay government				
Income tax	689		3,757	
Education tax	-		-	
	689	**-**	**3,757**	**1**
To be retained in the business for expansion and future wealth creation:				
Depreciation, amortisation and impairments	489		610	
Deferred tax	-		-	
Retained profit	313,647		163,341	
	314,136	**70**	**163,951**	**64**
Total value distributed	**450,759**	**100**	**255,640**	**100**

Value added represents the additional wealth which the Select Entity has been able to create by its own and employees efforts.

Five-year Financial Summary

	2019 N mil	2018 N mil	2017 N mil	2016 N mil	2015 N mil
Group					
Statement of financial position					
Assets					
Non-current assets	2,006,999	1,891,978	1,444,428	1,368,297	1,048,306
Current assets	3,217,343	2,507,684	2,456,492	1,809,260	1,074,932
Assets of disposal groups held for sale	869	869	869	871	865
Total assets	**5,225,211**	**4,400,531**	**3,901,789**	**3,178,428**	**2,124,103**
Liabilities					
Non-current liabilities	1,767,472	1,399,546	904,775	690,015	529,281
Current liabilities	1,221,015	676,246	880,983	923,880	377,613
Total liabilities	**2,988,487**	**2,075,792**	**1,785,758**	**1,613,895**	**906,894**
Share capital	1,000	1,000	1,000	1,000	1,000
Reserves	(47,065)	86,219	85,226	93,689	(25,520)
	2,110,309	2,055,520	1,845,979	1,374,585	1,150,996
Non-controlling interest	172,480	182,000	183,826	95,259	90,733
Total equity	**2,236,724**	**2,324,739**	**2,116,031**	**1,564,533**	**1,217,209**
Total equity and liabilities	**5,225,211**	**4,400,531**	**3,901,789**	**3,178,428**	**2,124,103**
Profit and loss account					
Revenue	1,201,189	1,226,366	1,180,767	905,922	619,565
Profit before taxation	**255,043**	**339,331**	**249,754**	**237,380**	**216,498**
Tax expense	(59,086)	70,304	(64,454)	(5,376)	(14,913)
Profit from discontinued operations	**195,957**	**409,635**	**185,300**	**232,004**	**201,585**
Profit for the year	**195,958**	**409,636**	**185,300**	**232,004**	**201,585**
Non-controlling interest	(35,388)	(68,602)	(40,632)	(20,790)	(18,130)
Retained income for the year	**160,570**	**341,034**	**144,668**	**211,214**	**183,455**
Per share data					
Earnings per share (Basic)	20	41	36	24,438	22,247
Net assets per share	224	232	212	156,453	121,721

Earnings per share are based on loss/profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.

Five-year Financial Summary

	2019 N mil	2018 N mil	2017 N mil	2016 N mil	2015 N mil
Company					
Statement of financial position					
Assets					
Non-current assets	573,536	519,799	96,358	75,834	72,130
Current assets	2,721,867	2,003,985	1,975,172	1,457,591	1,067,845
Total assets	**3,295,403**	**2,523,784**	**2,071,530**	**1,533,425**	**1,139,975**
Liabilities					
Non-current liabilities	1,431,566	996,423	721,343	607,829	432,385
Current liabilities	601,147	383,318	238,244	222,894	138,990
Total liabilities	**2,032,713**	**1,379,741**	**959,587**	**830,723**	**571,375**
Share capital	1,000	1,000	1,000	1,000	1,000
Reserves	(41)	(42)	1,161	845	458
	1,261,731	1,143,085	1,109,782	700,857	567,142
Total equity	**1,262,690**	**1,144,043**	**1,111,943**	**702,702**	**568,600**
Total equity and liabilities	**3,295,403**	**2,523,784**	**2,071,530**	**1,533,425**	**1,139,975**
Profit and loss account					
Revenue	248,376	170,712	146,321	133,661	100,866
Profit before taxation	**314,336**	**167,099**	**427,253**	**157,414**	**124,732**
Tax expense	(689)	(3,757)	(18,328)	(3,904)	(631)
Profit for the year	**313,647**	**163,342**	**408,925**	**153,510**	**124,101**
Per share data					
Earnings per share (Basic)	31	16	41	15,351	12,410
Net assets per share	126	114	111	70,270	54,880

This report is not prepared under IFRS. Instead it has been prepared in compliance with the requirement of the Companies and Allied Matters Act (CAMA).

Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year.