



FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016

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<b>Directors:</b>	Mr. Mutiu Sunmonu, CON	- Chairman
	Engr. Heinz Stockhausen (German)	- Vice Chairman
	HRH Igwe Peter Nwokike Anugwu JP, OFR	- Independent Director
	Engr. Jafaru Damulak	
	Mr. George Marks (German)	
	Dr. Ernest Nnaemeka Azudialu - Obiejesi	
	Engr. Wolfgang Goetsch (Austrian)	- Managing Director
	Mr. Wolfgang Kollermann (German)	- Financial Director
	Alhaji Zubairu Ibrahim Bayi	- Director Administration

**Company secretary:** Mrs. Cecilia Ekanem Madueke

**RC Number:** 6852

**Registered office:** 10, Shettima A. Munguno Crescent  
Utako 900 108  
FCT Abuja.

**Auditors:** Nexia Agbo Abel & Co  
43, Anthony Enahoro Street  
Utako  
FCT Abuja.

**Registrars:** GTL Registrars Ltd (Formerly, Union Registrars Ltd)  
274 Muritala Muhammad Way  
Ebute Metta  
Lagos

**Bankers:** Access Bank Plc  
Diamond Bank Plc  
First Bank of Nigeria Ltd  
First City Monument Bank Plc  
Guaranty Trust Bank Plc  
Standard Chartered Bank Nigeria Ltd  
Union Bank of Nigeria Plc  
United Bank for Africa Plc  
Zenith Bank Plc

	Group			Company		
	12/31/16	12/31/15	%	12/31/16	12/31/15	%
	N'000	N'000	Change	N'000	N'000	Change
Revenue	138,993,752	133,807,574	3.88	119,813,392	119,242,541	0.48
(Loss)profit before taxation	(1,498,029)	6,499,973	(123.05)	(1,239,251)	6,234,338	(119.88)
(Loss)profit for the year	(3,816,792)	2,440,140	(256.42)	(3,656,210)	2,836,672	(228.89)
Other comprehensive income	6,822,152	(680,028)	(1,103.22)	122,845	(180,372)	(168.11)
Total comprehensive income	3,005,360	1,760,112	70.75	(3,533,365)	2,656,300	(233.02)
Non - controlling interest	(9,654)	225	(4,390.84)	-	-	-
Profit/(loss) attributable to equity holders of the parent	3,015,014	1,759,887	71.32	(3,533,365)	2,656,300	(233.02)
Retained earnings	17,065,287	22,729,580	(24.92)	12,059,647	17,573,012	(31.37)
Share capital	660,000	660,000	-	660,000	660,000	-
Shareholders' funds	25,316,315	24,291,955	4.22	13,145,087	18,658,452	(29.55)
<i>Per share data</i>						
Earnings per share						
Basic	2.28	1.33	71.32	(2.68)	2.01	(233.02)
Diluted	2.28	1.33	71.32	(2.68)	2.01	(233.02)
Net assets per share						
Basic	19.18	18.40	4.22	9.96	14.14	(29.55)
Diluted	19.18	18.40	4.22	9.96	14.14	(29.55)
Stock Exchange quotation at 31 December (Naira)	38.58	42.00	(8.14)	38.58	42.00	(8.14)
Number of employee	9,142	10,887	(16.03)	7,888	9,277	(14.97)



The directors are pleased to present to the members of Julius Berger Nigeria Plc at the 47th Annual General Meeting ("AGM") their report on the business of the Group for the year ended 31 December 2016.

### 1. Legal form

The Company was incorporated in Nigeria under the Companies Act 1968, now CAMA, as a private limited liability company on 18 February 1970. The Company subsequently converted to a public limited liability company and its shares became listed on the National Stock Exchange on 20 September 1991.

### 2. Principal activities

The principal activities of the Company are the business of planning and construction of all kinds of civil engineering works. The Company has 7 (seven) subsidiaries, with their principal activities stated as follows:

S/N	Subsidiary	Principal activities and business	Date of incorporation	Holding
1.	Abumet Nigeria Limited	Manufacturers and dealers in aluminium, steel, iron or other structural products of such nature.	15 June 1990	90%
2.	Julius Berger Services Nigeria Limited	Providers of ports services, stevedores, cargo superintendents, port management, warehousemen, agents and proprietors of warehouses	30 August 2006	100%
3.	Julius Berger Medical Services Limited	Health care providers for the operation of medical service institutions and all form of medical and health care services.	22 August 2011	100%
4.	PrimeTech Design and Engineering Nigeria Limited	Engineers, planning, design, development construction and maintenance of engineering works and products of all description.	22 August 2011	100%
5.	Julius Berger Investments Limited	Investment company and managers.	1 June 2012	100%
6.	Julius Berger International GmbH	Providers of logistical and technical support on an international level.	24 June 2008	100%
7.	Julius Berger Free Zone Enterprises Calabar	Planning and construction of all kinds and aspects of civil engineering works and related activities as well as maintenance of buildings and facilities in Free Trade Zones.	24 March 2015	100%

The financial results of all the subsidiaries have been consolidated in these financial statements.

### 3. Results for the year

Comparative highlights of the operational results of the Group for the years ended 31 December 2016 and 2015 are as stated in the table below:

Group	2016 N'000	2015 N'000
Revenue	138,993,752	133,807,574
Profit attributable to Group activities	3,005,360	1,760,112
Retained earnings	17,065,287	22,729,580

### 4. Review of business development

In the year under review, inspite of the challenging economic environment, the Group, in the opinion of the directors, performed satisfactorily and in accordance with planning.

Save as herein disclosed, no other events have occurred since the year ended 31 December 2016, which would affect the financial statements.

**5. Dividends****5.1 Dividends**

The directors would not be recommending to the members at the 47th Annual General Meeting, payment of dividend for the financial year ended 31 December 2016.

**5.2 Unclaimed dividends and share certificates**

The list of shareholders who have either unclaimed dividends or share certificates have been compiled and are attached with this document. Shareholders who find their names on the lists and have claimed their dividend(s) or share certificate(s) since 31 December 2016, should kindly ignore the attached list. However, shareholders who are yet to claim their unclaimed dividend(s) or share certificate(s) should contact the Company Secretary or the Registrars, GTL Registrars Ltd.

**6. Directors and directors' interests and shareholding****6.1 Board of Directors in 2016**

The directors who served on the Board of the Company for the year ended 31 December 2016 were as follows:

- 1 AVM (Dr.) Mohammed Nurudeen Imam, CFR
- 2 Engr. Heinz Stockhausen (German)
- 3 HRH Igwe Peter Nwokike Anugwu JP, OFR
- 4 Engr. Jafaru Damulak
- 5 Dr. Ernest Nnaemeka Azudialu - Obiejesi
- 6 Mr. George Marks (German)
- 7 Engr. Wolfgang Goetsch (Austrian)
- 8 Mr. Mutiu Sunmonu, CON
- 9 Mr. Wolfgang Kollermann (German)
- 10 Alhaji Zubairu Ibrahim Bayi
- 11 Mr. David Herron (Australian)

**6.2 Changes to the Board**

During the period under review, AVM (Dr.) Mohammed Nurudeen Imam, CFR and Mr. David Herron resigned their appointment as Directors with effect from March 31, 2016 and June 3, 2016 respectively. Mr. Mutiu Sunmonu, CON was appointed the Chairman of the Board with effect from April 1, 2016. Engr. Wolfgang Goetsch was appointed Managing Director with effect from July 23, 2016.

**6.3 Directors for re-election**

Mr. Mutiu Sunmonu, CON and Mr. George Marks are the Directors retiring by rotation, in accordance with the provisions of S259 of CAMA and the Articles of Association. Mr. Mutiu Sunmonu, CON and Mr. George Marks all being eligible, offer themselves for re-election.



**6. Directors and directors' interests**
**6.4 Director's interest**

For the purposes of S 275, 276 and 277 of CAMA and in compliance with the listing requirement of the Nigerian Stock Exchange:

- 6.4.1 some Directors gave notices of disclosable direct and / or indirect interests in some contracts and assets of the Company;
- 6.4.2 the Directors' interest in the issued share capital of the Company as recorded in the Register of Members and in the Register of Directors' holdings and contracts as notified by them are as stated in the table below:

	Number of Directors' Direct and Indirect Holdings as at		
	15 March 2017	31 December 2016	31 December 2015
	Number	Number	Number
Mr. Mutiu Sunmonu, CON	1,000,000	1,000,000	1,000,000
Engr. Heinz Stockhausen	-	-	-
HRH Igwe Peter Nwokike Anugwu JP, OFR	88,000	88,000	88,000
Engr. Jafaru Damulak	1,980,849	1,980,849	1,980,849
Dr. Ernest Nnaemeka Azudialu - Obiejesi - Indirect	165,127,597	165,127,597	163,127,597
Mr. George Marks	-	-	-
Engr. Wolfgang Goetsch	-	-	-
Mr. Wolfgang Kollermann	-	-	-
Alhaji Zubairu Ibrahim Bayi	465,619	465,619	417,119

**7. Share capital and shareholding**

The Company did not purchase its own shares during the year.

**.1 Authorised share capital:**

The authorised share capital of the Company is N800 million made up of 1.6 billion ordinary shares of 50 Kobo each.

**.2 Issued and fully paid share capital:**

The issued and paid-up share capital of the Company currently is N660 million made up of 1.32 billion ordinary shares of 50 Kobo each.

**.3 Beneficial ownership:**

The issued and paid-up share capital of the Company, as at 31 December 2016 and 15 March 2017 when the Financial Statements were approved, were beneficially held as stated in the table below.

Beneficial ownership	No of Ordinary Shares held as at 15 March 2017	% holdings as at 15 March 2017	No of Ordinary Shares held as at 31 December 2016	% holdings as at 31 December 2016 2015	
Bilfinger SE	217,800,000	16.5	217,800,000	16.5	16.5
Watertown Energy Limited	132,000,000	10.0	132,000,000	10.0	10.0
Goldstone Estates Limited	262,262,079	19.9	262,262,079	19.9	19.9
Ibile Holdings Limited	72,600,000	5.5	72,600,000	5.5	5.5
Other Nigerian Citizens, Associations and Governments	635,337,921	48.1	635,337,921	48.1	48.1
	<u>1,320,000,000</u>	<u>100.0</u>	<u>1,320,000,000</u>	<u>100.0</u>	<u>100.00</u>

**.4 Free float**

The free float analysis of the issued and paid-up share capital of the Company, as at 31 December 2016 and 15 March 2017 when the financial statements were approved, is as follows:

	No of Ordinary Shares held as at 15 March 2017	% holdings as at 15 March 2017	No of Ordinary Shares held as at 31 December 2016	% holdings as at 31 December 2016 2015	
Strategic shareholding	851,248,984	64.5	851,248,984	64.5	64.5
Directors' direct shareholding	4,473,655	0.3	4,473,655	0.3	0.3
Free float	464,277,361	35.2	464,277,361	35.2	35.2
	<u>1,320,000,000</u>	<u>100.0</u>	<u>1,320,000,000</u>	<u>100.0</u>	<u>100.0</u>

**7. Share capital and shareholding**
**.5 Share range analysis as at 31 December 2016**

Share Range	No of Shareholders	% Shareholders	No of units held	% Shareholding
1 - 500	2,246	20.88	430,861	0.03
501 - 1,000	1,090	10.13	803,529	0.06
1,001 - 5,000	3,476	32.32	8,905,461	0.67
5,001 - 10,000	1,674	15.56	11,905,101	0.90
10,001 - 25,000	1,196	11.12	18,566,669	1.41
25,001 - 100,000	804	7.47	37,369,902	2.83
100,001 - 500,000	204	1.90	41,132,491	3.12
500,001 - 1,000,000	22	0.20	16,006,141	1.21
1,000,001 and above	44	0.41	1,184,879,845	89.76
	<b>10,756</b>	<b>100.00</b>	<b>1,320,000,000</b>	<b>100.00</b>

**8. Property, plant and equipment (PPE)**

Significant movements in properties and equipment constituting the PPE of the Group during the year are indicated in Note 14 on page 42. In the opinion of the directors, the market value of the properties and equipment is not less than the value shown in the accounts.

**9. Donations and CSR Initiatives**

During the year 2016, the Group undertook Corporate Social Responsibility (CSR) initiatives shown in the table on the next page valued at N50.3 million (2015 - N128.6 million) and made donations valued at N5.1 million (2015: N6.5 million)

In compliance with S 38(2) of CAMA no donation was made to any political association or for any political purpose.



**9. Donations and CSR Initiatives (Continued)**

Corporate Social Responsibility	Amount (N)
Education	2,010,000
Health	6,755,580
Youth Sports	2,325,000
Community Development	28,092,232
Emergency Response	11,099,852
	<b>50,282,664</b>

Donations	Amount (N)
Ladies Golf Championship, Abuja	250,000
Nigerian Stock Exchange Charity Run	1,000,000
IBB Golf and Country Club Captain's Cup	250,000
Nigerian Bar Association Conference	150,000
Federation of Construction Industry AGM	500,000
Nigerian Academy of Engineers	2,000,000
Giving Tuesday Cancer Centre	500,000
Environmental Protection Agency Tree Planting Campaign	200,000
Nigerian Society of Engineers	250,000
	<b>5,100,000</b>

In compliance with S 38(2) of CAMA no donation was made to any political party, political association or for any political purpose.

**10. Research and development**

Research, development and deployment of leading edge construction and engineering technologies, design and methodologies are key to the Group brand. Julius Berger Nigeria Plc and its subsidiaries would continue to invest in research and development in order to enhance its design, planning, execution, construction and local engineering capabilities to deliver on client requisitions innovatively.

**11. Technical service and know - how agreement**

Technical Services Agreement executed between components in the Group and Julius Berger International GmbH are registered with the National Office for Technology Acquisition and Promotion (NOTAP).

**12. Suppliers**

The significant suppliers to the Company locally and internationally are:

1. Julius Berger International GmbH
2. Lafarge Africa Plc
3. Mantrac Nigeria Limited
4. Abumet Nigeria Limited
5. Dangote Cement Industries Limited
6. Samofaz Nigeria Limited
7. Tabson Nigeria Limited
8. Federated Steel Mills Limited
9. Apex Paint Limited.
10. Ringardas Nigeria Limited.
11. Peri Formwork + Scaffolding Nig. Limited
12. Forte Oil Plc

**13. Post year end events**

Save as disclosed, there were no significant post year end events, that could have had a material effect on the financial statements for the year ended 31 December 2016, which has not been adequately provided for.

**14. Human capital management**

Employee relations were stable and cordial in the year under review

**.1 Employment of physically challenged persons**

It is the policy of the Group that there should be no unfair discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2016, there were 36 physically challenged persons employed by the Group.

**.2 Health, safety at work and welfare of employees**

The nature of Group activities demands that a high priority is placed on the health, safety and welfare of employees as well as of all visitors in all aspects of Group operations.

To this end, there is a strict observance of health and safety policies, regulations and structures. Further, medical facilities, in accordance with the welfare schedule agreed with the operating domestic workers unions and the provisions of the National Health Insurance Scheme Act CAP N42, Laws of the Federation of Nigeria 2004, are provided to all staff and their immediate families comprising a spouse and four children.

In the Group there is full compliance with the provisions of the Pensions Reform Act of 2014.

**.3 Involvement and training**

The consultation machinery for the dissemination of information and involvement in matters concerning the staff and corporate affairs was engaged by all components within the Group.

Training and education are crucial to the retention of skills and expertise within the Group. The Group is committed to investments in ensuring the required skills set for its business and operation.

**15. Audit committee**

The members of the Statutory Audit Committee, appointed at the Annual General Meeting held on 16 June 2016 in accordance with S359 (3) of CAMA were:

- |   |   |          |
|---|---|----------|
| 1. Sir Sunday Nnamdi Nwosu, KSS           | - | Chairman |
| 2. HRH Igwe Peter Nwokike Anugwu, JP, OFR | - | Member   |
| 3. Chief Timothy Ayobami Adesiyun         | - | Member   |
| 4. Engr. Jafaru Damulak                   | - | Member   |
| 5. Brig. Gen. Emmanuel Ebije Ikwue, GCON  | - | Member   |
| 6. Dr. Ernest Nnaemeka Azudialu-Obiejesi  | - | Member   |

The Committee met in accordance with the provisions of S359 of CAMA and will present its report.



**16. Auditors**

The auditors, Messrs Nexia Agbo Abel & Co. have indicated their willingness to continue in office. A resolution will be proposed authorising the directors to determine their remuneration.

**17. Compliance with regulatory requirements**

The directors confirm that they have reviewed the structures and activities of the Company in view of the Code and the regulations of the Nigerian Stock Exchange and the Securities and Exchange Commission (the Regulators). The directors confirm that, to the best of their knowledge and as at the date of this report, the Company has been and is in substantial compliance with the provisions of the Code and the regulatory requirements of the Regulators.

By order of the Board



Mrs Cecilia Ekanem Madueke  
Company Secretary

10 Shettima A. Munguno Crescent  
Utako 900 108/FCT Abuja

15 March 2017

**Note:** The Company Secretary was granted a waiver by the Financial Reporting Council of Nigeria to sign the Directors' report without indicating any FRC number.

## Report of the Audit Committee

In compliance with S359 (6) of CAMA, we, the members of the Statutory Audit Committee whose names are stated hereunder, have reviewed and considered the Auditor's Report required to be made in accordance with S359 (3) of CAMA, the consolidated audited Financial Statements of the Group for the year ended December 31, 2016, and the reports thereon, confirm as follows:

1. The accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.
2. The scope and planning of audit requirement were in our opinion adequate.
3. We have reviewed the findings on Management matters, in conjunction with the External Auditors, and are satisfied with the response of Management thereon.
4. The systems of accounting and internal controls for the Group are adequate.
5. We have made the recommendations required to be made in respect of the External Auditors.

### Members of the Audit Committee

Sir Sunday Nnamdi Nwosu, KSS

Chief Timothy Ayobami Adesiyun

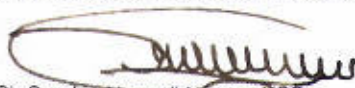
Brig. Gen. Emmanuel Ebije Ikwue, GCON

HRH Igwe Peter Nwokike Anugwu, JP, OFR

Engr. Jafaru Damulak

Dr. Ernest Nnaemeka Azudialu-Obiejesi

Signed on behalf of the Committee by,



Sir Sunday Nnamdi Nwosu, KSS

Chairman of the Statutory Audit Committee

FRC / 2014 / IODN / 00000006788

March 14, 2017

**Note:** The Chairman of the Statutory Audit Committee, not being a professional member of an accounting body established by the Act of the National Assembly in Nigeria, was granted a waiver by the Financial Reporting Council of Nigeria to sign the Report of the Audit Committee.

Julius Berger Nigeria Plc • RC No. 6852 • TIN 1002185680

Registered Office: 10 Shettima A. Munguno Crescent | Utako 900 108 | FCT Abuja | Nigeria  
Website: [www.julius-berger.com](http://www.julius-berger.com) • Email: [info@julius-berger.com](mailto:info@julius-berger.com) • Phone: +234 803 906 7000

Directors: Mr. M. Sunmonu, CON, Chairman • Engr. H. Stockhausen, Vice Chairman (German) • Engr. W. Goetsch, Managing Director (Austrian)  
Mr. W. Kollermann, Financial Director (German) • Alh. Z. I. Bayi, Director Administration • HRH Igwe P.N. Anugwu, JP, OFR  
Dr. E.N. Azudialu-Obiejesi • Engr. J. Damulak • Mr. G. Marks (German)

## Statement of Directors' Responsibilities

By the provisions of S 334 and S 335 of CAMA, the Directors are responsible for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Group, and of the profit or loss at the end of each financial year. The Directors are required by the provisions of the Code to issue this statement in connection with the preparation of the Financial Statements for the year ended December 31, 2016.

In compliance with the provisions of CAMA, the Directors must ensure that:

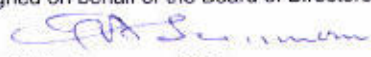
1. Proper accounting records are maintained.
2. Applicable accounting standards are followed.
3. Suitable accounting policies are adopted and consistently applied.
4. Judgement and estimates made are reasonable and prudent.
5. The going concern basis is used, unless it is inappropriate to presume that the Group will continue in business.
6. Internal control procedures are instituted, which as far as is reasonably possible, are adequate, safeguard the assets and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the preparation of these Financial Statements, which have been prepared in compliance with:

1. The provisions of CAMA;
2. The provisions of the Financial Reporting Council of Nigeria (FRCN), Act No. 6 of 2011;
3. The published accounting and financial reporting standard issued by the FRCN;
4. The regulations of the SEC; and
5. The regulations and listing requirements of the NSE.

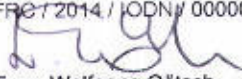
The Directors have made an assessment of the Group's ability to continue as a going concern based on the supporting assumptions stated in the Financial Statements and have every reason to hold that the Group will remain a going concern in the financial year ahead.

Signed on behalf of the Board of Directors by,

  
Mr. Mutiu Sunmonu, CON

Chairman

FRC / 2014 / IODN / 00000006187

  
Engr. Wolfgang Götsch

Managing Director

FRC / 2014 / NSE / 00000006484

March 15, 2017

Julius Berger Nigeria Plc • RC No. 6852 • TIN 1002185880

Registered Office: 10 Shetima A, Munguno Crescent | Utako 900 108 | FCT Abuja | Nigeria  
Website: [www.julius-berger.com](http://www.julius-berger.com) • Email: [info@julius-berger.com](mailto:info@julius-berger.com) • Phone: +234 803 906 7000

Directors: Mr. M. Sunmonu, CON, Chairman • Engr. H. Stockhausen, Vice Chairman (German) • Engr. W. Goetsch, Managing Director (Austrian)  
Mr. W. Kolleremann, Financial Director (German) • Alh. Z. I. Bayi, Director Administration • HRH Igwe P. N. Anugwu, JP, OFR  
Dr. E. N. Azudialu-Obiejiesi • Engr. J. Damulak • Mr. G. Marks (German)



## CERTIFICATION OF FINANCIAL STATEMENTS

Pursuant to S7 (2) of the FRCN Act, 2011, we have reviewed the Annual Reports and Financial Statements of Julius Berger Nigeria Plc and its consolidated subsidiaries for the year ended December 31, 2016.

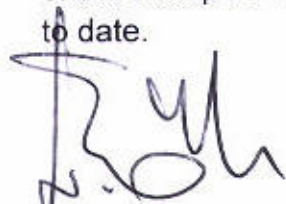
Based on our knowledge, our Financial Statements do not contain any untrue statement of a material fact or omit to state a material fact necessary and are not misleading with respect to the period covered by the report.

The Code of Ethics and Statement of Business Practices formulated by the Board has been implemented as part of the corporate governance practices of the Group throughout the period of intended reliance, and the Directors and Key Executives of the Group had acted honestly, in good faith and in the best interests of the whole Group.

Our Financial Statements, and other financial information included therein, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the period presented in the Financial Statements.

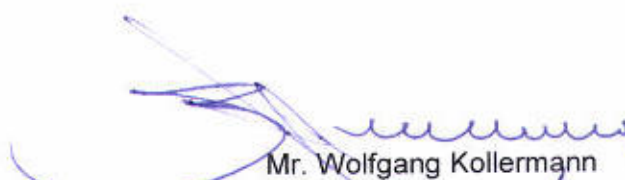
We are responsible for designing the internal controls and procedures surrounding the financial reporting process and assessing these controls (as required by S7 (2) (f) of the FRCN Act) and have designed such internal controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the Group is made known to us by others within those entities, particularly during the period in which this report is being prepared. The controls, which are properly designed, have been operating effectively in the period of intended reliance.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief the information contained in the Financial Statements of our Group for the year ended December 31, 2016, appear to be true, correct and up to date.



Engr. Wolfgang Goetsch

Managing Director  
FRC / 2014 / NSE / 00000006484



Mr. Wolfgang Kollermann

Financial Director  
FRC/2012/ANAN/00000000396



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF JULIUS BERGER NIGERIA PLC**  
**ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying consolidated financial statements of **Julius Berger Nigeria Plc and its subsidiaries** which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information set out on pages 18 to 62.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Julius Berger Nigeria Plc and its subsidiaries** as at 31 December 2016 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 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 Financial Statements section of our report. We are independent of the Company and its subsidiaries 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.

**Key audit matters**

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

Revenue recognition	
See note 3.6 and note 6 to the consolidated financial statements.	
Key audit matter	How our audit addressed the matter
Revenue is a significant measure of the performance of the group. There is a risk of misstatement of revenue due to inadequate cut-off procedures or wrong application of IAS 11 (IFRS 15).	<ul style="list-style-type: none"> <li>- Our audit procedures include testing of the design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions.</li> <li>- We obtained and reviewed contract documents to ensure revenue were recognised in line with IAS 11 (IFRS 15).</li> <li>- We performed substantive analytical procedures and investigated differences in excess of the threshold.</li> <li>- We reviewed basis of valuation of foreign denominated contracts.</li> <li>- We performed cut-off tests to ensure that revenue were not under/over stated.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 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 regards.



### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Company and its subsidiaries' 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 Company and its subsidiaries or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Company and its subsidiaries' 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 relating to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Company or its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

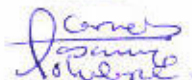
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide 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.

### **Report on other legal and regulatory requirements**

In compliance with the requirements of the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the Company and its subsidiaries have kept proper books of account, so far as appears from our examination of those books; and
- iii) the consolidated statements of financial position and comprehensive income are in agreement with the books of account and returns.



Tolulope Fasanya - FRC/2012/ICAN/00000000109  
for: Nexia Agbo Abel & Co

Chartered Accountants

Abuja, Nigeria

15<sup>th</sup> March 2017





		Group		Company	
	Note	12/31/16 N'000	12/31/15 N'000	12/31/16 N'000	12/31/15 N'000
Revenue	6	138,993,752	133,807,574	119,813,392	119,242,541
Cost of sales		(84,767,291)	(91,473,106)	(81,127,668)	(81,209,011)
<b>Gross profit</b>		<b>54,226,461</b>	<b>42,334,468</b>	<b>38,685,724</b>	<b>38,033,530</b>
Marketing expenses		(53,327)	(75,140)	(45,408)	(66,355)
Administrative expenses		(37,380,880)	(30,445,734)	(19,549,439)	(30,650,717)
<b>Operating profit</b>		<b>16,792,254</b>	<b>11,813,594</b>	<b>19,090,877</b>	<b>7,316,458</b>
Investment income	7	284,681	139,763	86,502	3,678,068
Other gains and losses	8	1,443,523	695,388	(398,143)	1,388,584
Finance cost	9	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
Foreign exchange acquisition loss		(14,234,241)	-	(14,234,241)	-
<b>(Loss)/profit before tax</b>	10	<b>(1,498,029)</b>	<b>6,499,973</b>	<b>(1,239,251)</b>	<b>6,234,338</b>
Income tax expense	12.1	(2,318,763)	(4,059,833)	(2,416,959)	(3,397,666)
<b>(Loss)/profit for the year</b>		<b>(3,816,792)</b>	<b>2,440,140</b>	<b>(3,656,210)</b>	<b>2,836,672</b>
<b>Other comprehensive income for the year net taxes</b>					
Actuarial gains/(losses) on retirement benefits		122,845	(180,372)	122,845	(180,372)
<b>Irreversible to income statement</b>					
Differences on translating foreign operations		6,699,307	(499,656)	-	-
<b>Total comprehensive income</b>		<b>3,005,360</b>	<b>1,760,112</b>	<b>(3,533,365)</b>	<b>2,656,300</b>
<b>Attributable to:</b>					
Owners of the Company		3,015,014	1,759,887	(3,533,365)	2,656,300
Non-controlling interests		(9,654)	225	-	-
<b>Total comprehensive income</b>		<b>3,005,360</b>	<b>1,760,112</b>	<b>(3,533,365)</b>	<b>2,656,300</b>
<b>Earnings per share</b>					
Basic earnings per share (₦)	13	2.28	1.33	(2.68)	2.01
Diluted earnings per share (₦)	13	2.28	1.33	(2.68)	2.01



Assets	Note	Group		Company	
		12/31/16 N'000	12/31/15 N'000	12/31/16 N'000	12/31/15 N'000
<b>Non-current assets</b>					
Property, plant and equipment	14	49,712,834	58,376,513	47,093,218	55,470,657
Goodwill	16.1	8,348,748	5,041,184	-	-
Other intangible assets	16.2	2,766	32,712	-	-
Investment property	17	2,444,460	2,546,436	2,444,460	2,546,436
Investment in subsidiaries	18	-	-	15,193,398	15,193,398
Trade and other receivables	21	569,619	844,122	550,319	844,122
Tax receivable	22	26,026,032	20,765,642	25,282,312	20,273,902
Deferred tax assets	12.3	5,453,858	10,087,301	5,375,286	9,874,831
<b>Total non-current assets</b>		<b>92,558,317</b>	<b>97,693,910</b>	<b>95,938,993</b>	<b>104,203,346</b>
<b>Current assets</b>					
Inventories	19	11,699,526	11,110,116	9,165,557	8,938,423
Amount due from customers under construction contracts	20	33,082,455	27,228,427	29,637,665	27,204,457
Trade and other receivables	21	108,291,146	88,634,246	108,507,194	90,554,805
Tax receivable	22	1,417,845	5,566,478	1,395,660	5,235,578
Cash and cash equivalents		10,584,522	13,360,038	6,229,515	10,148,623
		165,075,494	145,899,305	154,935,591	142,081,886
Assets classified as held for sale	15	1,545,121	1,493,055	1,523,825	1,472,823
<b>Total current assets</b>		<b>166,620,615</b>	<b>147,392,360</b>	<b>156,459,416</b>	<b>143,554,709</b>
<b>Total assets</b>		<b>259,178,932</b>	<b>245,086,270</b>	<b>252,398,409</b>	<b>247,758,055</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	23	660,000	660,000	660,000	660,000
Share premium	23	425,440	425,440	425,440	425,440
Foreign currency translation reserve		7,119,062	419,755	-	-
Retained earnings		17,065,287	22,729,580	12,059,647	17,573,012
Equity attributable to owners of the Company		25,269,789	24,234,775	13,145,087	18,658,452
Non-controlling interests		46,526	57,180	-	-
<b>Total equity</b>		<b>25,316,315</b>	<b>24,291,955</b>	<b>13,145,087</b>	<b>18,658,452</b>
<b>Non - Current liabilities</b>					
Borrowings	25	-	-	-	-
Retirement benefit liabilities	26.2	2,463,491	1,853,781	1,311,668	1,420,945
Deferred tax liabilities	12.3	9,185,562	12,989,322	9,090,213	12,568,459
Amount due to customers under construction contracts	20.1	119,098,895	106,971,355	119,098,895	111,344,506
Provisions	28	454,232	404,308	300,000	300,000
<b>Total non-current liabilities</b>		<b>131,202,180</b>	<b>122,218,766</b>	<b>129,800,776</b>	<b>125,633,910</b>
<b>Current liabilities</b>					
Amount due to customers under construction contracts	20.1	24,009,265	32,912,602	23,665,542	28,737,461
Trade and other payables	27	44,015,318	34,596,825	51,191,400	44,125,695
Borrowings	25	33,172,798	24,807,936	33,172,798	24,807,936
Current tax payable	12.2	1,423,923	6,106,748	1,395,660	5,770,100
Retirement benefit liabilities	26.1	39,133	151,438	27,146	24,501
<b>Total current liabilities</b>		<b>102,660,437</b>	<b>98,575,549</b>	<b>109,452,546</b>	<b>103,465,693</b>
<b>Total liabilities</b>		<b>233,862,617</b>	<b>220,794,315</b>	<b>239,253,322</b>	<b>229,099,603</b>
<b>Total equity and liabilities</b>		<b>259,178,932</b>	<b>245,086,270</b>	<b>252,398,409</b>	<b>247,758,055</b>

These financial statements were approved by the directors on 15<sup>th</sup> March 2017 and signed on its behalf by:

Engr. Wolfgang Goetsch  
FRC/2014/NSE/00000006484  
Managing Director

Wolfgang Kollermann  
FRC/2012/ANAN/00000000396  
Financial Director

The accounting policies on pages 23 to 35 and notes on pages 18 to 61 form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	<b>Group</b>					
	Share capital N'000	Share premium N'000	Foreign currency translation reserve N'000	Retained earnings N'000	Attributable to owners of the Company N'000	Attributable to non-controlling interest N'000
<b>Balance at 1 January 2016</b>	660,000	425,440	419,755	22,729,580	24,234,775	57,180
Loss for the year	-	-	-	(3,807,138)	(3,807,138)	(9,654)
Other comprehensive income (net of tax)	-	-	6,699,307	122,845	6,822,152	-
<b>Total comprehensive income</b>	-	-	6,699,307	(3,684,293)	3,015,014	(9,654)
Issued share capital	-	-	-	-	-	-
Issued share capital (subsidiaries - NCI)	-	-	-	-	-	-
Dividends to shareholders	-	-	-	(1,980,000)	(1,980,000)	(1,000)
<b>Balance at 31 December 2016</b>	660,000	425,440	7,119,062	17,065,287	25,269,789	46,526
						25,316,315

	<b>Company</b>					
	Share capital N'000	Share premium N'000	Foreign currency translation reserve N'000	Retained earnings N'000	Attributable to owners of the Company N'000	Attributable to non-controlling interest N'000
<b>Balance at 1 January 2016</b>	660,000	425,440	-	17,573,012	18,658,452	-
Loss for the year	-	-	-	(3,656,210)	(3,656,210)	-
Other comprehensive income (net of tax)	-	-	-	122,845	122,845	-
<b>Total comprehensive income</b>	-	-	-	(3,533,365)	(3,533,365)	-
Issued share capital	-	-	-	-	-	-
Dividends to shareholders	-	-	-	(1,980,000)	(1,980,000)	-
<b>Balance at 31 December 2016</b>	660,000	425,440	-	12,059,647	13,145,087	-
						13,145,087

	Note	Group		Company	
		12/31/16 N '000	12/31/15 N '000	12/31/16 N '000	12/31/15 N '000
<b>Cashflows from operating activities</b>					
Cash receipts from customers		196,614,015	159,503,327	128,542,794	131,940,871
Cash paid to suppliers and employees		(188,119,372)	(150,117,936)	(120,994,323)	(116,985,876)
<b>Cash provided by operating activities</b>		<b>8,494,643</b>	<b>9,385,391</b>	<b>7,548,471</b>	<b>14,954,995</b>
Cash paid for taxes		(544,849)	(391,554)	(534,522)	(378,111)
Foreign exchange acquisition loss		(14,234,241)	-	(14,234,241)	-
<b>Net cash (used in)/generated by operating activities</b>	<b>29</b>	<b>(6,284,447)</b>	<b>8,993,837</b>	<b>(7,220,292)</b>	<b>14,576,884</b>
<b>Cashflows from investing activities</b>					
Purchase of property, plant and equipment	14	(695,586)	(3,527,214)	(684,798)	(2,036,091)
Investment in subsidiary		-	-	-	(2,061,817)
Interest received	7	284,681	139,763	86,502	139,763
Dividend received		-	-	-	3,538,305
Proceeds from disposal of property, plant and equipment		6,600,810	3,349,496	6,580,455	3,344,542
<b>Net cash generated/(used in) investing activities</b>		<b>6,189,905</b>	<b>(37,955)</b>	<b>5,982,159</b>	<b>2,924,702</b>
<b>Cashflows from financing activities</b>					
Repayment of loans	25.2.1	(3,281,590)	(2,860,492)	(3,281,590)	(2,860,492)
Interest paid	9	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
Dividends paid		(1,980,000)	(2,998,988)	(1,980,000)	(2,998,988)
<b>Net cash used in financing activities</b>		<b>(11,045,836)</b>	<b>(12,008,252)</b>	<b>(11,045,836)</b>	<b>(12,008,252)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(11,140,378)</b>	<b>(3,052,369)</b>	<b>(12,283,969)</b>	<b>5,493,334</b>
<b>Cash and cash equivalents at 1 January</b>		<b>(11,447,898)</b>	<b>(8,395,529)</b>	<b>(14,659,313)</b>	<b>(20,152,647)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>29.1</b>	<b>(22,588,276)</b>	<b>(11,447,898)</b>	<b>(26,943,283)</b>	<b>(14,659,313)</b>
<b>Cash and cash equivalents consist of:</b>					
Cash and bank balances		10,584,522	13,360,038	6,229,515	10,148,623
Borrowings (bank overdrafts)		(33,172,798)	(21,526,346)	(33,172,798)	(21,526,346)
Term loans		-	(3,281,590)	-	(3,281,590)
	<b>29.1</b>	<b>(22,588,276)</b>	<b>(11,447,898)</b>	<b>(26,943,283)</b>	<b>(14,659,313)</b>



**1. General information**

Julius Berger Nigeria Plc was incorporated as a private limited liability Company on 18 February 1970. The Company subsequently converted to a public liability company in 1979 with its shares quoted on the Nigerian Stock Exchange. It is registered in Nigeria with registration number, RC 6852. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiaries (the Group) are described in notes 18 and 31 to the financial statements.

**2. Application of new and revised International Financial Reporting Standards (IFRS)**
**2.1 Amendments to IFRSs and the new interpretations that are mandatorily effective for the year ended December 31, 2016**

The following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 14: Regulatory Deferral Accounts	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The standard is available only to first-time adopters who recognise regulatory deferral account balances under previous Generally Accepted Accounting Principles (GAAP). IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes and requires separate presentation of regulatory deferral account balances in the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. This standard did not impact on the Group financial statements as the Group had since adopted IFRS.	1 January 2016
Amendments to IFRSs 11: Accounting for acquisitions of interests in joint operations	The amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 13 Business Combination. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 13 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment of cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. This standard did not impact on the Group financial statements as there are no joint operations in the Group.	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	Amendments to IAS 16 prohibit entities from using a revenue depreciation method for items of PPE while IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The presumption could only be rebutted in only two rare circumstances. The Group does not use any of the two methods respectively addressed in IAS 16 and IAS 38 as such the standard did not impact on the Group financial statements.	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	The amendments to IAS 27 is to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in the separate financial statements. The Group does not intend to consider this amendment, rather it will continue accounting in the separate financial statement as disclosed in the accounting policies.	1 January 2016



**2. Application of new and revised International Financial Reporting Standards (IFRS)**

2.1 The following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Amendments to IFRS 10 and IAS 28 clarifies the treatment of the sale or contribution of asset from an investor to its associate or joint venture, as follows; 1. Full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combination). 2. the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by direct sale of the assets themselves.  This standard did not impact on the Group financial statements as there are no joint venture and/or associates in the Group.	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants	The amendments define bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as PPE in accordance with IAS 16, instead of IAS 41. Also, bearer plants can be measured using either cost model or the revaluation models set out in IAS 16. The Groups does not have bearer assets, hence the amendment has no impact on the Group Financial Statements.	1 January 2016
Amendments to IAS 1: Disclosure Initiative	The amendment seek to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: 1. Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; 2. Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; 3. Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1. There is immaterial impact of this amendment to the Group Financial Statements.	1 January 2016

## 2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 The following revisions to accounting standards and pronouncements were issued and effective at the reporting

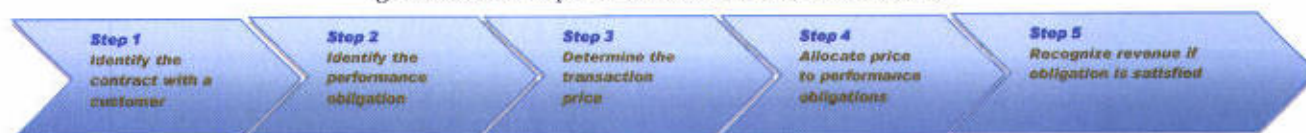
Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
Amendments to IFRSs 10, IFRS 12 and IAS 28. Investment Entities: Applying the Consolidation Exception	These amendments to IFRS 10, IFRS 12 and IAS 28 (2011) address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: 1) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. 2) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. 3) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries. • An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The Group does not have any of the above mentioned subsidiaries, as such, there are no impact from the amendments to this standard.	1 January 2016
Annual Improvements 2012-2014 Cycle	The Annual Improvements to IFRSs 2012-2014 cycle includes a number of amendments to various IFRSs. These amendments to IFRS include: IFRS 5 – Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued IFRS 7 – Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements IAS 9 – Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid IAS 34 – Clarify the meaning of elsewhere in the interim report and require a cross-reference. There is immaterial impact of this amendment to the Group Financial Statements.	1 January 2016



## 2. Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

- 2.2 The following revisions to accounting standards and pronouncements were issued but not effective at the reporting period (Earlier application is permitted in some cases).

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 9 Financial Instruments	IFRS 9 Financial Instruments issued in July 2014 is the IASB'S replacement of IAS 39 Financial Instruments: Recognition and Measurement. The IASB completed its project to replace IAS 39 in phases, introducing a fair value through other comprehensive income measurement category for certain simple debt instruments. The completed IFRS 9 as revised in 2014 contains the requirements for: 1) The classification and measurement of financial assets and liabilities 2) Impairment methodology 3) General hedge accounting. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after January 1, 2018 with early adoption permitted. For periods beginning before January 1, 2018, previous versions of IFRS 9 may be adopted provided the relevant date of initial application is before February 1, 2015.	1 January 2018
IFRS 15 Revenue from Contract with Customers	This IFRS establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It is intended to supersede the following standards; <ul style="list-style-type: none"> <li>• IAS 18 revenue</li> <li>• IAS 11 construction contracts</li> <li>• IFRIC 13 customer loyalty programs</li> <li>• IFRIC 15 agreements for the construction of real estate</li> <li>• IFRIC 18 transfer of assets from customers; and</li> <li>• SIC 31 revenue barter transactions involving advertising services.</li> </ul> The new standard introduces a 5-step approach to revenue recognition and measurement with more prescriptive guidance and requirements for extensive disclosures:	1 January 2018



## 2. Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

2.2 The following revisions to accounting standards and pronouncements were issued but not effective at the reporting period (Earlier application is permitted in some cases).

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
IFRS 16: Leases I	This IFRS specifies how a reporter will recognise, measure, present and disclose leases. The Standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all lease unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating and finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor. Early application of IFRS 16 Leases is permitted only for companies that also apply IFRS 15 Revenue from Contracts with Customers.	1 January 2019
Amendments to IAS 7: Disclosure Initiative	This amends IAS 7 Statement of Cash flow to clarify that entities shall provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financial activities.	1 January 2017
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	The amendment to IAS 12 Income Taxes clarifies the following aspects: Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type	1 January 2017
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	This clarifies the standard in relation to the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.	1 January 2018



**3. Significant accounting policies****3.1 Statement of compliance**

The consolidated and separate financial statements of the Group have been prepared in accordance with International Financial Reporting Standards.

**3.2 Basis of preparation**

The consolidated and separate financial statements are prepared on a historical cost. The following are the significant accounting policies adopted by the Group in the preparation of these financial statements.

The accompanying consolidated and separate financial statements in Nigerian Naira (the functional currency of the Group) have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria (FRCN) and as applicable, the Companies and Allied Matters Act (CAMA), Cap C20, LFN 2004.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

**3.3 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company;

- has power over the investee;
- is exposed, or has right, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in the investee are sufficient to give power, including:

- the size of the Company's holding of the voting rights relative to the size and dispersion of the holding of other vote holders
- potential voting rights held by the Company, other holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cashflows relating to transactions between members of the Group are eliminated in full on consolidation.



**3. Significant accounting policies (Continued)****3.3.1 Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 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:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified 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 IAS 39.

**3.4 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.



**3. Significant accounting policies (Continued)****3.4 Business combinations (Continued)**

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

**3.4.1 Acquisition of interests from non-controlling shareholders**

Acquisitions of non-controlling interests are accounted for as transactions within equity. There is no measurement to fair value of net assets acquired that were previously attributable to non-controlling shareholders.

**3.5 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**3.6 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced with estimated customer returns, rebates and other similar allowances. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense.



**3. Significant accounting policies (Continued)****3.6 Revenue recognition (Continued)****3.6.1 Goods and services**

Sale of goods: Revenue from the sale of goods is recognised when the goods are delivered and titles have passed and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue represents the net invoice value of sales to third parties and it is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Rendering of services: Revenue from rendering of services is recognised in the period the services are rendered. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenues from other income generated from refunds and recoveries by insurance companies and other regulatory bodies are recognized when net cash is received.

**3.6.2 Construction contracts**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, measured based on the proportion of work completed to date relative to the estimated total contract amount. Variations in contract work, claims and incentive payments are included to the extent that they can be reliably measured and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**3.7 Gross amount due from customers**

This represents work-in-progress (valued on the basis of engineers' estimate of the quantum of work done but not yet certified) plus recognised profits less recognised losses. Claims receivable arising on contracts are normally taken to income when agreed. In the case of unprofitable contracts, full provision is made for anticipated future losses after taking into account a prudent estimate of claims arising in respect of such contracts.

**3.8 Advance payments received**

Advanced payments received are amounts received before the related work is performed and are assessed on initial recognition to determine whether it is probable that it will be repaid in cash or another financial asset. In this instance, the advance payment is classified as a non-trading financial liability that is carried at amortised cost. If it is probable that the advance payment will be repaid with goods or services, the liability is carried at historic cost.

**3.9 Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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



**3. Significant accounting policies (Continued)****3.10 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Self-produced assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, appropriate allocations of materials and other overheads associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Maintenance, repairs, and renewals are generally charged to expense during the financial period in which they are incurred. However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

No depreciation to land and capital work in progress applies.

Losses or gains on disposals of assets are recognised in the Profit or Loss under 'other gains and losses'.

Depreciation is recognised so as to write-off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

	Residual values (%) on cost	Useful lives (years)
Building	10	25
Plant and machinery	5	10
Other fixed assets	5	8

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.

**3.10.1 Capitalisation**

Expenditure related to an acquisition or repair is capitalized only if it extends the useful lives or increases the production capacity of the assets in question. The identification of such expenses is based on a certain criteria identified by management and/or threshold reviewed from time to time. The criteria as set in the preparation of these financial statements are as follows;

**3.10.1.1 Items to capitalise**

- Any purchase of a piece of equipment (i.e. office furniture, machinery, equipment, etc.) of not less than N1,500,000.
- Expenditures in the nature of repairs of not less than N1,500,000.
- Computer and related equipment of not less than N1,500,000.
- Expenditure on building of not less than N1,500,000.

**3.10.1.2 Items to be expensed**

- Any item that will not last more than 12 months should be currently expensed when used.
- Any purchase of a piece of equipment (i.e. office furniture, machinery, equipment, etc.) that is less than N1,500,000.
- Expenditures in the nature of repairs can be expensed if less than N1,500,000.
- Computers and related equipment that is less than N1,500,000.



**3. Significant accounting policies (Continued)****3.11 Investment property**

All property classified as investment property are measured at cost. Investment property is recognized when it is probable that the company will enjoy the future economic benefits which are attributable to it, and when the cost or fair value can be reliably measured. Costs include directly attributable expenditure such as legal fees and property transfer taxes.

Transfers to or from investment property is made only when there is a demonstrated "change in use" as a result of a transfer;

- From investment property to owner-occupied property, when owner-occupation commences;
- From investment property to inventories, on commencement of development with a view to sale;
- From an owner-occupied property to investment property, when owner-occupation ends;
- Of inventories to investment property, when an operating lease to a third party commences; or
- Of property in the course of development or construction to investment property, at end of the construction or development.

An investment property is derecognized on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the disposal or retirement of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss for the period.

Depreciation is recognised so as to write-off the cost of investment properties less their residual values over their useful lives, using the straight line method. Where such investment properties are revalued, depreciation is recognized over the useful life of the asset in a pattern which best reflects the consumption pattern over the estimated useful life of such assets.

**3.12 Non current assets held for sale**

Non-current assets and disposal Groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal Group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal Groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**3.13 Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**3.13.1 The Group as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**3.13.2 The Group as lessee**

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated and separate statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



**3. Significant accounting policies (Continued)****3.14 Intangible assets**

An intangible asset is an identifiable, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable; the Group has control over the asset; it is probable that economic benefits will flow to the Group; and the cost of the asset can be measured reliably.

**3.14.1 Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**3.14.2 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 when all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- 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 internally-generated 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.

**3.14.3 Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**3.14.4 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.

**3.15 Inventories**

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

In addition to the cost of materials and direct labor, an appropriate proportion of production overhead that have been incurred in bringing the inventories to their present location and condition is included in the inventory values. An allowance is recorded for excess inventory and obsolescence is based on the lower of cost or net realisable value.

Cost is determined using standard cost, which approximates actual cost, on a First-In-First-Out (FIFO) basis.



**3. Significant accounting policies (Continued)****3.16 Taxation**

Taxation represents the sum of income tax payable and deferred tax.

**3.16.1 Income and deferred tax for the year**

Income and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where income 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.

**3.16.2 Income tax**

Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated based on Companies Income Tax Act (CAP C24 LFN 2004) as amended to date and tax rates that have been enacted or substantively enacted by the end of the reporting date.

**3.16.3 Deferred taxation**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Provision for deferred taxation is made by the liability method and calculated at the tax rate that applies during the period of reversal on the differences between the net book value of qualifying property, plant and equipment and their corresponding tax written down values. Also consideration is given for provision for retirement benefit which have not been paid in the year.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates enacted by the end of the reporting period.

**3.17 Foreign currencies**

All transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the dates of the transactions. Monetary items are converted to Naira at the rates of exchange ruling at the reporting date. All differences arising there from are taken to the profit or loss.

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.

For the purposes of presenting consolidated and separate financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the 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 arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

**3.18 Dividends**

Dividends on ordinary shares to shareholders are recognised in equity in the period in which they are paid or, if earlier, approved by the shareholders at the Annual General Meeting.

**3.18.1 Unclaimed dividend**

Segregated accounts are maintained for unclaimed dividends and are recoverable by shareholders within twelve years and actionable only when declared. Any amounts standing to the credit of unclaimed dividend are invested separately while amounts unclaimed after twelve years are taken to retained earnings in line with CAMA.



**3. Significant accounting policies (Continued)****3.19 Retirement benefits****3.19.1 Defined contribution plan**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Retirement benefit plans for members of staff are structured through a defined contributory pension scheme, which is independent of the Group's finances and is managed by Pension Fund Administrators. The scheme, which is funded by contributions from both employees and employer at 8% and 10% respectively, is consistent with the Pension Reform Act 2014.

**3.19.2 Defined benefit plan**

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out periodically so that a provision for the present value of the estimated cost for liabilities due at the reporting date in respect of employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement is being made in the statement of financial position.

**3.20 Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3.20.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**3.20.1.1 Amortised cost and 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 and points 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 measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

**3.20.1.2 Classification of financial assets**

The Group's financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The assets in this category include trade and other receivables, contract receivables and retentions, cash and cash equivalents.



**3. Significant accounting policies (Continued)****Trade and other receivables**

Trade and other receivables are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. The provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

**Contract receivables and retentions**

Contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. Contract receivables and retentions comprise amounts due in respect of certified or approved certificates by the client or consultant at the reporting date for which payment has not been received, and amounts held as retentions on certified certificates at the reporting date. Contract receivables are stated after deduction of specific allowance for any debt considered doubtful of collection. The allowance for bad and doubtful debts is based on the estimated irrecoverable which is determined based on the ageing of the receivable balance and historical experience.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. All short term cash investments are invested with major financial institutions in order to manage credit risk.

**3.20.1.3 Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the Profit or loss.

**3.20.1.4 Impairment of financial assets**

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty or
- breach of contract, such as a default or delinquency in interest or principal payments or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation or
- the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial asset, 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 Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.



**3. Significant accounting policies (Continued)**

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.

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.

**3.20.1.5 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 measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as fair-value-through-other-comprehensive-income (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

**3.20.2 Financial liabilities and equity instruments****3.20.2.1 Classification as debt or equity**

Debt and equity instruments issued by a Group entity 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.

**3.20.2.2 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 at the proceeds received, net of direct issue costs.

**3.20.2.3 Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Group does not have financial liabilities classified as financial liabilities 'at FVTPL'.

**Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points 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 financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



**3. Significant accounting policies (Continued)****3.20.2.4 Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item (note 8) in the profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**3.20.2.5 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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**3.21 Provisions**

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event for which 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 amount 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 (where the effect of the time value of money is material).

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

**3.22 Related parties**

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all executive and non-executive directors. Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

**3.23 Earnings per share**

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the Total comprehensive income attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share (DPS) are calculated using fully diluted shares outstanding (i.e. including the impact of stock option grants and

**3.24 Segment reporting**

Segment information is presented in respect of the Group's business segments. The business segments are determined by management based on the Group's internal reporting structure. The determination of the Group's operating segments is based on the organisation units for which information is reported to the Group's management. The Group has three divisions, Building, civil and Services. The three divisions have separate management and reporting structures and are considered separately reportable operating segments. Certain headquarter activities are reported as "Corporate." These consist of corporate headquarters, including the Corporate Executive Committee, corporate communications, corporate human resources, corporate finance, including treasury, taxes and pension fund management, corporate legal and corporate safety and environmental services.



**3. Significant accounting policies (Continued)**

A segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are set on an arm's length basis. Operating assets and liabilities consist of property, plant, and equipment, goodwill and intangible assets, trade receivables/payables, inventories and other assets and liabilities, such as provisions, which can be reasonably attributed to the reported operating segments. Non-operating assets and liabilities mainly include current and deferred income tax balances, postemployment benefit assets/liabilities and financial assets/liabilities such as cash, marketable securities, investments and debt.

**3.25 Impairment**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**3.26 Transfer pricing**

Transactions between entities in the Group and all connected persons are carried on in a manner consistent with the arm's length principle using the appropriate transfer pricing method.

**3.27 Decommissioning provisions**

The provision for decommissioning serves to cover the costs associated with the decommissioning of assets. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied for existing obligations are added to or deducted from the cost of the asset. Estimated future costs for decommissioning obligations arising after the related asset is brought into use are recognised in the Profit or loss.

**3.28 Financial income and cost**

Financial income comprises interest income on funds invested, dividend income, net gains on the disposal of held-for-sale financial assets, net fair value gains on financial assets at fair value through profit or loss, net gains on the re-measurement to fair value of any pre-existing available-for-sale interest in an acquiree, and net gains on hedging instruments that are recognized in the Profit or loss.

Financial costs on the other hand represent interest on loans, overdraft and related facilities.

Interest income and cost is recognized on accrual basis in the Statement of income, using the effective interest method. Dividend income is recognized in the Statement of income on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.



**4. Critical judgements areas and estimation of key sources of uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**4.1 Critical judgments in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**4.1.1 Income taxes**

The group is subject to various forms of taxes. Significant judgement is required in determining the provision for income and other related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

**4.1.2 Revenue recognition**

The group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver civil, design and engineering services. Use of the percentage-of-completion method requires the group to estimate the services performed to date as a proportion of the total services to be performed.

**4.1.3 Allowance for doubtful debts/receivables**

The Group has recognised allowances for credit losses on receivables by assessing the credit quality of individual customers, receivables that are in dispute, financial standing of customers and the willingness of the customers to pay. Management believes that except for the receivables on which allowance has been made, all other receivables are recoverable despite their age because they are mainly due from various government and government entities.

**4.1.4 Review of the useful lives of tangible assets**

The directors believe that the consumption pattern on items of property, plant and equipment is such that the book value is spread equally over the useful life of the assets. The judgment exercised is based on past experience with similar assets, technological obsolescence and declining residual values.

**4.1.5 Write down of inventories to Net realisable value**

Management has written down inventories that are obsolete to a nil value after considering the non-movements of these inventory items for two (2) years. Write-back of previous allowances on inventory are effected when the items are subsequently put into use.

**4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.



**4.2.1 Provision for gratuity**

Within the Group, Julius Berger Nigeria PLC (the company) operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

**4.2.2 Impairment loss on property, plant and equipment**

Management considered several factors to assess items of property, plant and equipment for impairment, some of which includes the physical damage caused by accidents, technological obsolescence, decline in value etc. The individual assets carrying values were compared with their recoverable amount and impairment losses have been recognised on those assets. In determining fair value less cost to sell, management has derived fair value information from the sales proceeds received on similar assets. This is the best information available to reflect the amount that the Group could obtain, at the end of the reporting period, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

**5. Segmental analysis**

The management is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the management for the purposes of allocating resources and assessing performance. The management assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes investment income, finance costs and taxes. These income and expenditures are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Julius Berger Nigeria Plc has three divisions which offer construction, civil engineering, building and facility management services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by division, each of which is managed separately and considered to be a reportable segment. The Managing Director together with senior executive management are members of the management and they regularly review the performance of these divisions. Details of the services offered by these divisions are provided in the business and financial review.

**5.1 The principal segment activities are  
Civil works**

The segment is responsible for provision of professional services in the areas of engineering, construction and maintenance of various infrastructures. These activities are evidence in the realisation of the Abuja master plan, and developments in the essential traffic network in and around the cities of Lagos and Uyo. At the coastal areas, the works include the construction of turnkey harbors, wharfs, jetties, loading installations and warehouses. The segment also builds or refurbishes airports in conformity with strict global aviation regulations. For the oil, gas and energy sector, the segment is responsible for design and construction of auxiliary buildings for factories, oil and gas installations and power stations.

**Building works**

As a leader in its field, the segment has the specialised knowhow needed to construct buildings that meet the Leadership in Energy and Environmental Design (LEED) standards for certification. The segment is responsible for the designing and building of administration, commercial and industrial buildings, hotels, hospitals, airport terminals, sports facilities and residential districts. Under this segment is a furniture production unit which supplies high quality furniture and interior fittings.

**Services**

The segment provides forward looking facility management solutions, which ensure the useful life of a building is extended and maintenance costs are significantly reduced. Available through the segment is a computer assisted facility and resource management, aimed at optimising workflow and process controlling and reducing operating costs.



	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
<b>5.2 Revenue</b>				
Class of business:				
Civil works	72,784,348	75,839,524	72,784,348	72,437,567
Building works	58,872,919	46,644,136	46,857,226	46,633,975
Services	7,336,485	11,323,914	171,818	170,999
<b>Total revenue</b>	<b>138,993,752</b>	<b>133,807,574</b>	<b>119,813,392</b>	<b>119,242,541</b>
<b>5.3 Profit/loss and results</b>				
Class of business:				
Civil works	13,040,476	9,174,164	12,047,952	4,617,301
Building works	3,319,109	2,335,041	6,879,489	2,636,521
Services	432,669	304,389	163,436	62,636
<b>Total profit of segments</b>	<b>16,792,254</b>	<b>11,813,594</b>	<b>19,090,877</b>	<b>7,316,458</b>
Corporate costs	(12,790,718)	695,388	(14,632,384)	1,388,584
<b>EBIDTA</b>	<b>4,001,536</b>	<b>12,508,982</b>	<b>4,458,493</b>	<b>8,705,042</b>
Finance costs	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
<b>Adjusted (loss)/profit before tax</b>	<b>(1,782,710)</b>	<b>6,360,210</b>	<b>(1,325,753)</b>	<b>2,556,270</b>
Other items	284,681	139,763	86,502	3,678,068
<b>(Loss)/Profit before income tax</b>	<b>(1,498,029)</b>	<b>6,499,973</b>	<b>(1,239,251)</b>	<b>6,234,338</b>

#### Notes

5.3.1 Corporate costs comprise the costs of operating head office functions and certain overheads.

5.3.2 EBITA is earnings before investment income, finance costs and taxes.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses as well as finance costs. This is the measure reported to the management for the purposes of resource allocation and assessment of segment performance.

#### 5.4 Information about major customers

Included in the revenue reported by Group are three clients whose individual balances of N23.25 billion (2015: N32.27 billion), N15.59 billion (2015: Nil) and N13.86 billion (2015: N18.77 billion) represent more than 10% of the total revenue reported by the Group. No other single client contributed 10% or more to the Group's revenue for 2016.



## 5.5 Revenue

## Group

	31 December 2016			31 December 2015		
	Segment assets	Segment liabilities	Segment net assets/liabilities	Segment assets	Segment liabilities	Segment net assets/liabilities
Class of business:	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	73,489,537	(75,758,973)	(2,269,436)	67,763,997	(70,804,129)	(3,040,132)
Building works	44,315,208	(46,805,696)	(2,490,488)	40,862,628	(43,744,475)	(2,881,847)
Services	115,439,173	(64,558,809)	50,880,364	106,445,354	(60,336,486)	46,108,868
	<b>233,243,918</b>	<b>(187,123,478)</b>	<b>46,120,440</b>	<b>215,071,979</b>	<b>(174,885,090)</b>	<b>40,186,889</b>
Net cash	10,584,522	(33,172,798)	(22,588,276)	13,360,038	(24,807,936)	(11,447,898)
Unallocated assets/(liabilities)	15,350,492	(13,566,341)	1,784,151	16,654,253	(21,101,289)	(4,447,036)
	<b>259,178,932</b>	<b>(233,862,617)</b>	<b>25,316,315</b>	<b>245,086,270</b>	<b>(220,794,315)</b>	<b>24,291,955</b>

## Company

	31 December 2016			31 December 2015		
	Segment assets	Segment liabilities	Segment net assets/liabilities	Segment assets	Segment liabilities	Segment net assets/liabilities
Class of business:	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	70,656,946	(76,855,394)	(6,198,448)	67,929,667	(74,046,411)	(6,116,744)
Building works	39,929,052	(44,759,223)	(4,830,171)	38,387,836	(43,123,321)	(4,735,485)
Services	113,490,387	(72,341,220)	41,149,167	109,109,787	(69,697,225)	39,412,562
	<b>224,076,385</b>	<b>(193,955,837)</b>	<b>30,120,548</b>	<b>215,427,290</b>	<b>(186,866,957)</b>	<b>28,560,333</b>
Net cash	6,229,515	(33,172,798)	(26,943,283)	10,148,623	(24,807,936)	(14,659,313)
Unallocated assets/(liabilities)	22,092,509	(12,124,687)	9,967,822	22,182,142	(17,424,710)	4,757,432
	<b>252,398,409</b>	<b>(239,253,322)</b>	<b>13,145,087</b>	<b>247,758,055</b>	<b>(229,099,603)</b>	<b>18,658,452</b>

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Unallocated net assets/(liabilities) principally comprise assets/(liabilities) which are not categorised as part of those of the segments in the group. These are not directly attributable to the activities of the individual segments.

For the purposes of monitoring segment performance and allocating resources between segments the management monitors the tangible and financial assets & liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments with the exception of current tax assets and deferred taxation assets, current tax liabilities and retirement benefit. Assets used jointly by reportable segments are allocated on a rational basis after considering the revenues earned by individual reportable segments.



	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
<b>6 Revenue</b>				
Construction contracts	131,657,267	120,981,205	119,813,392	119,242,541
Rendering of services	7,336,485	12,826,369	-	-
	<u>138,993,752</u>	<u>133,807,574</u>	<u>119,813,392</u>	<u>119,242,541</u>
<b>7. Investment income</b>				
Investment income consists of interest income from:				
Bank deposits	284,681	139,763	86,502	139,763
Dividend received	-	-	-	3,538,305
	<u>284,681</u>	<u>139,763</u>	<u>86,502</u>	<u>3,678,068</u>
<b>8. Other gains and losses</b>				
Profit from sale of property, plant and equipment	4,495,160	1,696,628	4,504,005	1,695,347
Net foreign exchange losses	(5,704,056)	(367,970)	(4,902,358)	(306,763)
Sundry income	2,652,419	(633,270)	210	-
	<u>1,443,523</u>	<u>695,388</u>	<u>(398,143)</u>	<u>1,388,584</u>
<b>9. Finance costs</b>				
Interest on overdraft	3,961,048	4,306,334	3,961,048	4,306,334
Interest on loan	1,498,676	1,214,931	1,498,676	1,214,931
Other finance charges	324,522	627,507	324,522	627,507
	<u>5,784,246</u>	<u>6,148,772</u>	<u>5,784,246</u>	<u>6,148,772</u>
<b>10. Profit for the year</b>				
Profit for the year has been arrived at after charging/ (crediting):				
Net foreign exchange losses	5,704,056	367,970	4,902,358	306,763
Depreciation of property, plant and equipment	8,976,153	9,744,274	8,675,879	9,499,602
Depreciation of investment property	101,976	101,976	101,976	101,976
Net impairment	(1,617,525)	2,128,374	(1,690,092)	2,128,374
Audit remuneration (see note 10.1)	96,920	88,025	54,420	48,750
Staff costs (see note 11)	52,560,237	41,652,397	36,643,791	31,210,927
Gain on disposal of property, plant and equipment	<u>(4,495,160)</u>	<u>(1,696,628)</u>	<u>(4,504,005)</u>	<u>(1,695,347)</u>
<b>10.1 The total remuneration of the Group's auditor, Nexia Agbo Abel &amp; Co and other professional firms for services provided to the group is analysed below:</b>				
<b>Audit fees:</b>				
Parent group	52,920	47,250	52,920	47,250
Subsidiaries auditors (Ernst & Young and Akintola Williams Deloitte)	42,500	39,275	-	-
Other audit related fees	1,500	1,500	1,500	1,500
<b>Audit and audit-related fees</b>	<u>96,920</u>	<u>88,025</u>	<u>54,420</u>	<u>48,750</u>
<b>Other fees:</b>				
Taxation	14,500	11,000	4,500	7,000
Others	250	350	250	250
<b>Total fees</b>	<u>111,670</u>	<u>99,375</u>	<u>59,170</u>	<u>56,000</u>



**11. Staff costs and employee numbers**

Wages and salaries  
Social security costs  
Defined benefit plans  
Defined contribution (pension schemes)

Group		Company	
31/12/2016	31/12/2015	31/12/2016	31/12/2015
N'000	N'000	N'000	N'000
50,904,385	40,183,149	35,883,929	30,109,505
854	1,832	-	-
1,051,880	450,529	242,639	407,270
603,118	1,016,887	517,223	694,152
<b>52,560,237</b>	<b>41,652,397</b>	<b>36,643,791</b>	<b>31,210,927</b>

The average number of people employed was as follows:

Civil works  
Building works  
Services

Number	Number	Number	Number
784	1,122	784	922
4,621	5,600	4,114	4,838
3,737	4,165	2,990	3,517
<b>9,142</b>	<b>10,887</b>	<b>7,888</b>	<b>9,277</b>

The average number of employees in the services division includes managerial staff as well as executive management.

Managerial staff  
Senior staff  
Junior staff

Number	Number	Number	Number
119	115	91	95
1,001	1,167	387	550
8,022	9,605	7,410	8,632
<b>9,142</b>	<b>10,887</b>	<b>7,888</b>	<b>9,277</b>

**12. Taxation**
**12.1 Income tax recognised in profit or loss**
**Current tax**

Current tax expense in respect of the current year  
Education tax (2% of assessable profit)  
Adjustments in relation to the current tax of prior years

1,417,845	5,566,478	1,395,660	5,235,578
6,078	540,270	-	534,522
65,157	229,778	-	-

**Deferred tax**

Deferred tax (credited)/charged in the current year

829,683	(2,276,693)	1,021,299	(2,372,434)
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Total income tax expense recognised in the current year

<b>2,318,763</b>	<b>4,059,833</b>	<b>2,416,959</b>	<b>3,397,666</b>
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The income tax expense for the year can be reconciled to the accounting profit as follows:

(Loss)/Profit before tax from operations

<b>(1,498,029)</b>	<b>6,499,973</b>	<b>(1,239,251)</b>	<b>6,234,338</b>
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Expected income tax expense calculated at 30% (2015: 30%)

(449,409)	1,936,080	(371,775)	1,870,302
-----------	-----------	-----------	-----------

Education tax expense calculated at 2% (2015: 2%) of assessable profit

6,078	540,270	-	534,522
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Effect of income that is exempt from taxation

(68,805)	(4,900,238)	-	(5,233,652)
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Effect of expenses that are not deductible in determining taxable profit

2,001,216	10,958,023	1,767,435	10,971,362
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Effect of unrecognised and unused tax losses now recognised as deferred tax assets

-	-	-	-
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Effect of different tax rates of subsidiaries and adjustments

-	-	-	-
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Deferred tax expense recognised in the current year

829,683	(4,704,080)	1,021,299	(4,744,868)
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Income tax expense recognised in profit or loss

<b>2,318,763</b>	<b>3,830,055</b>	<b>2,416,959</b>	<b>3,397,666</b>
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Adjustments recognised in the current year in relation to the current tax of prior years

-	229,778	-	-
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<b>2,318,763</b>	<b>4,059,833</b>	<b>2,416,959</b>	<b>3,397,666</b>
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The tax rate used for the 2016 and 2015 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act.



	Group		Company	
	31/12/2016 N'000	31/12/2015 N'000	31/12/2016 N'000	31/12/2015 N'000
<b>12.2 Current tax liabilities</b>				
Income tax payable	1,417,845	5,566,478	1,395,660	5,235,578
Education tax payable	6,078	540,270	-	534,522
	<u>1,423,923</u>	<u>6,106,748</u>	<u>1,395,660</u>	<u>5,770,100</u>
<b>12.3 Deferred tax assets and liabilities</b>				
Deferred tax assets and liabilities are attributable to the following:				
Deferred tax assets	5,453,858	10,087,301	5,375,286	9,874,831
Deferred tax liabilities	(9,185,562)	(12,989,322)	(9,090,213)	(12,568,459)
<b>Deferred tax liabilities (net)</b>	<u>(3,731,704)</u>	<u>(2,902,021)</u>	<u>(3,714,927)</u>	<u>(2,693,628)</u>
The gross movement in deferred taxation during the year				
Balance at beginning of year	2,902,021	5,178,714	2,693,628	5,066,062
Profit or loss charge	792,829	(2,249,637)	984,445	(2,345,378)
Tax charge relating to components of other comprehensive income	36,854	(27,056)	36,854	(27,056)
<b>Balance at end of year</b>	<u>3,731,704</u>	<u>2,902,021</u>	<u>3,714,927</u>	<u>2,693,628</u>

The movement in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows;

**Deferred tax - Group**

Deferred tax liabilities	Accelerated tax depreciation N'000	Adjustments & Fair value gains N'000	Others N'000	Total N'000
Balance at 1 January 2016	13,824,688	(289,572)	(545,794)	12,989,322
Charged to profit or loss	(4,296,788)	(52,766)	545,794	(3,803,760)
<b>Balance at 31 December 2016</b>	<u>9,527,900</u>	<u>(342,338)</u>	<u>-</u>	<u>9,185,562</u>

Deferred tax assets	Retirement benefit obligation N'000	Impairment & tax losses N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2016	(980,633)	(1,015,065)	(8,091,603)	(10,087,301)
Charged to profit or loss	526,258	(3,389,643)	7,459,974	4,596,589
Charged to other comprehensive income	-	-	36,854	36,854
<b>Balance at 31 December 2016</b>	<u>(454,375)</u>	<u>(4,404,708)</u>	<u>(594,775)</u>	<u>(5,453,858)</u>



## 12.3 Deferred tax assets and liabilities (Continued)

## Deferred tax - Company

Deferred tax liabilities	Accelerated tax depreciation N'000	Adjustments & Fair value gains N'000	Others N'000	Total N'000
Balance at 1 January 2016	12,667,888	(99,429)	-	12,568,459
Charged to profit or loss	(3,235,337)	(242,909)	-	(3,478,246)
<b>Balance at 31 December 2016</b>	<b>9,432,551</b>	<b>(342,338)</b>	<b>-</b>	<b>9,090,213</b>

Deferred tax assets	Retirement benefit obligation N'000	Impairment & tax losses N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2016	(741,702)	(1,003,407)	(8,129,722)	(9,874,831)
Charged to profit or loss	293,245	(3,401,301)	7,570,747	4,462,691
Charged to other comprehensive income	-	-	36,854	36,854
<b>Balance at 31 December 2016</b>	<b>(448,457)</b>	<b>(4,404,708)</b>	<b>(522,121)</b>	<b>(5,375,286)</b>

## 13. Earnings per share

Basic and diluted earnings per share are shown on the face of the statement of profit or loss and other comprehensive income.

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	31/12/2016 N'000	31/12/2015 N'000	31/12/2016 N'000	31/12/2015 N'000
<b>Earnings</b>				
Earnings for the purpose of basic earnings and diluted earnings per share being net profit attributable to equity holders of the Company	<u>3,015,014</u>	<u>1,759,887</u>	<u>(3,533,365)</u>	<u>2,656,300</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,320,000</u>
<b>Earnings per 50k share (Naira) - Basic</b>	<u>2.28</u>	<u>1.33</u>	<u>(2.68)</u>	<u>2.01</u>
<b>Earnings per 50k share (Naira) - Diluted</b>	<u>2.28</u>	<u>1.33</u>	<u>(2.68)</u>	<u>2.01</u>



**14. Property, plant and equipment**

Group	Land	Buildings	Plant & Machinery	Other fixed assets	Total
Cost:	N '000	N '000	N '000	N '000	N '000
As at 1 January 2016	4,976,413	11,325,211	122,351,360	1,422,198	140,075,182
Additions	672,901	-	-	22,685	695,586
Reclassifications	576,473	(576,473)	-	(10,578)	(10,578)
Adjustment and exchange difference	-	(1,847)	(232,750)	509,424	274,827
Disposal	-	-	(13,691,777)	(240,007)	(13,931,784)
<b>At 31 December 2016</b>	<b>6,225,787</b>	<b>10,746,891</b>	<b>108,426,833</b>	<b>1,703,722</b>	<b>127,103,233</b>
<b>Accumulated depreciation:</b>					
As at 1 January 2016	-	3,846,339	72,219,132	668,903	76,734,374
Charge for the year	-	303,365	7,583,610	1,089,178	8,976,153
Adjustment and exchange difference	-	20,950	(194,179)	341,983	168,754
Reclassification	-	1,499	4,240	(15,257)	(9,518)
Eliminated on disposals	-	-	(10,717,157)	(1,108,977)	(11,826,134)
<b>At 31 December 2016</b>	<b>-</b>	<b>4,172,153</b>	<b>68,895,646</b>	<b>975,830</b>	<b>74,043,629</b>
<b>Impairment:</b>					
Balance at 1 January 2016	-	-	4,964,295	-	4,964,295
Charges for the year	-	-	-	72,567	72,567
Reversal in the year	-	-	(1,690,092)	-	(1,690,092)
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>3,274,203</b>	<b>72,567</b>	<b>3,346,770</b>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<b>6,225,787</b>	<b>6,574,738</b>	<b>36,256,984</b>	<b>655,325</b>	<b>49,712,834</b>
<b>At 31 December 2015</b>	<b>4,976,413</b>	<b>7,478,872</b>	<b>50,132,228</b>	<b>753,295</b>	<b>58,376,513</b>
<b>Company</b>					
<b>Cost:</b>					
As at 1 January 2016	4,684,488	9,717,547	121,442,852	235,760	136,080,647
Additions	672,901	-	-	11,897	684,798
Reclassifications	576,473	(576,473)	-	-	-
Adjustment	-	-	32,829	(14,764)	18,065
Disposal	-	-	(13,691,777)	(170,009)	(13,861,786)
<b>At 31 December 2016</b>	<b>5,933,862</b>	<b>9,141,074</b>	<b>107,783,904</b>	<b>62,884</b>	<b>122,921,724</b>
<b>Accumulated depreciation and impairment loss:</b>					
As at 1 January 2016	-	3,703,129	71,718,567	223,999	75,645,695
Charge for the year	-	249,228	7,532,926	893,725	8,675,879
Adjustment	-	-	32,829	(14,764)	18,065
Eliminated on disposals	-	-	(10,717,157)	(1,068,179)	(11,785,336)
<b>At 31 December 2016</b>	<b>-</b>	<b>3,952,357</b>	<b>68,567,165</b>	<b>34,781</b>	<b>72,554,303</b>
<b>Impairment:</b>					
Balance at 1 January 2016	-	-	4,964,295	-	4,964,295
Charges for the year	-	-	-	-	-
Reversal in the year	-	-	(1,690,092)	-	(1,690,092)
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>3,274,203</b>	<b>-</b>	<b>3,274,203</b>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<b>5,933,862</b>	<b>5,188,717</b>	<b>35,942,536</b>	<b>28,103</b>	<b>47,093,218</b>
<b>At 31 December 2015</b>	<b>4,684,488</b>	<b>6,014,418</b>	<b>49,724,285</b>	<b>11,761</b>	<b>55,470,657</b>

**Contractual commitment for capital expenditure**

There were no capital commitments for the purchase of property, plant and equipment in the year.



**15. Non current assets held for sale**

At the reporting date, property, plant and equipment of N1,545 million (2015: N1,493 million) were reclassified as non-current assets held for sale. The assets are taken to the sales yard once it has been determined that their value will be realised from sale and not continuous use in the business operation by the Equipment Repair Centre and sales is expected to be completed within one year.

**16. Intangible assets**

	Group		Company	
16.1 Goodwill	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Cost	4,606,412	4,606,412	-	-
Impairment	52,824	-	-	-
Exchange difference	3,689,512	434,772	-	-
	<u>8,348,748</u>	<u>5,041,184</u>	<u>-</u>	<u>-</u>

The purchased goodwill above exist in the books of Julius Berger International GmbH. It is the Group's policy to test goodwill for impairment annually and more frequently if there are indications of impairment. No impairment loss has been recognised as there are no indications that the goodwill is impaired.

	Group		Company	
16.2 Other intangible assets	Licenses	Total	Licenses	Total
	N'000	N'000	N'000	N'000
Cost:				
As at 1 January 2016	193,028	193,028	-	-
Additions during the year	4,149	4,149	-	-
At 31 December 2016	<u>197,177</u>	<u>197,177</u>	<u>-</u>	<u>-</u>
Accumulated amortisation:				
As at 1 January 2016	160,316	160,316	-	-
Charge for the year	34,095	34,095	-	-
At 31 December 2016	<u>194,411</u>	<u>194,411</u>	<u>-</u>	<u>-</u>
Carrying amount				
At 31 December 2016	<u>2,766</u>	<u>2,766</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>32,712</u>	<u>32,712</u>	<u>-</u>	<u>-</u>

The other intangible assets represents software licences acquired as part of the net asset of Julius Berger International GmbH. The amortisation of the useful life of the licenses is 3 years.

	Group		Company	
17. Investment property	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Cost:				
As at 1 January	2,742,372	2,742,372	2,742,372	2,742,372
Additions during the year	-	-	-	-
At 31 December	<u>2,742,372</u>	<u>2,742,372</u>	<u>2,742,372</u>	<u>2,742,372</u>
Accumulated amortisation:				
As at 1 January	195,936	93,960	195,936	93,960
Charge for the year	101,976	101,976	101,976	101,976
At 31 December	<u>297,912</u>	<u>195,936</u>	<u>297,912</u>	<u>195,936</u>
Carrying amount				
At 31 December	<u>2,444,460</u>	<u>2,546,436</u>	<u>2,444,460</u>	<u>2,546,436</u>

Investment property is carried at cost and depreciated using the straight line method. The estimated useful life of the investment property is 25 years.

The investment property comprises a number of commercial properties that are leased to related and third parties. The annual rent received from the investment property is approximately N86 million per annum.

## 18. Investments in subsidiaries

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
As at 1 January	-	-	15,193,398	13,131,581
Additions during the year	-	-	-	2,061,817
Disposals	-	-	-	-
At 31 December	-	-	15,193,398	15,193,398

Investments undertakings are recorded at cost which is the fair value of the consideration paid.

Details of the parent's subsidiaries at the end of the reporting period are as follows:

Name of subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent group	
			2016	2015
Abumet Nigeria Limited	Manufacturers and dealers in aluminium, steel, iron or other structural products of such nature.	Abuja, Nigeria	90%	90%
Julius Berger Services Nigeria Limited	Providers of ports services, stevedores, cargo superintendents, port management, warehousemen, agents and proprietors of warehouses.	Abuja, Nigeria	100%	100%
Julius Berger Medical Services Limited	Health care providers for the operation of medical service institutions and all form of medical and health care services.	Abuja, Nigeria	100%	100%
PrimeTech Design and Engineering Nigeria Limited	Engineers, planning, design, development construction and maintenance of engineering works and products of all description.	Abuja, Nigeria	100%	100%
Julius Berger Investments Limited	Investment company and managers.	Abuja, Nigeria	100%	100%
Julius Berger International GmbH	Providers of logistical and technical support on an international level.	Abuja, Nigeria	100%	100%
Julius Berger Free Zone Enterprise Calabar	Planning and construction of all kinds and aspects of civil engineering works and related activities as well as maintenance of buildings and facilities in Free Trade Zones.	Abuja, Nigeria	100%	100%



19. Inventories	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Construction materials	3,832,061	3,484,269	2,386,019	2,589,532
Consumables	2,263,424	2,401,525	1,493,047	1,481,724
Spares	5,353,228	4,872,969	4,992,500	4,484,729
Others	356,155	478,534	335,288	445,486
	<u>11,804,868</u>	<u>11,237,297</u>	<u>9,206,854</u>	<u>9,001,471</u>
Allowances (19.1)	<u>(105,342)</u>	<u>(127,181)</u>	<u>(41,297)</u>	<u>(63,048)</u>
	<u>11,699,526</u>	<u>11,110,116</u>	<u>9,165,557</u>	<u>8,938,423</u>
19.1 Inventory is stated net of allowances for obsolescence, an analysis of which is as follows;				
Balance at beginning of year	127,181	142,752	63,048	74,874
Amount (written back)/charged to profit or loss	<u>(21,839)</u>	<u>(15,571)</u>	<u>(21,751)</u>	<u>(11,826)</u>
Balance at end of year	<u>105,342</u>	<u>127,181</u>	<u>41,297</u>	<u>63,048</u>

19.2 The cost of inventories recognised as an expense during the year in respect of operations was N27.5 billion (31 December 2015: N30.7 billion).

19.3 Inventories have not been pledged as security for liabilities.

## 20. Amount due from/to customers from construction contract

Construction costs incurred plus recognised profits less recognised losses to date	756,237,763	770,494,593	753,136,696	770,494,593
- Less: progress billings	<u>(866,263,468)</u>	<u>(883,150,123)</u>	<u>(866,263,468)</u>	<u>(883,372,102)</u>
	<u>(110,025,705)</u>	<u>(112,655,530)</u>	<u>(113,126,772)</u>	<u>(112,877,509)</u>
Recognised and included in the consolidated and separate financial statements as amounts:				
Due from customers under construction contracts	33,082,455	27,228,427	29,637,665	27,204,457
Due to customers under construction contracts (20.1)	<u>(143,108,160)</u>	<u>(139,883,957)</u>	<u>(142,764,437)</u>	<u>(140,081,967)</u>
	<u>(110,025,705)</u>	<u>(112,655,530)</u>	<u>(113,126,772)</u>	<u>(112,877,510)</u>
20.1 Gross amounts due to customers:				
Current Portion	24,009,265	32,912,602	23,665,542	28,737,461
Non-current Portion	119,098,895	106,971,355	119,098,895	111,344,506
	<u>143,108,160</u>	<u>139,883,957</u>	<u>142,764,437</u>	<u>140,081,967</u>



21. Trade and other receivables	Group		Company	
	31/12/2016 N'000	31/12/2015 N'000	31/12/2016 N'000	31/12/2015 N'000
<b>Trade receivables</b>				
Contract and retention receivables (note 21.5)	102,069,780	84,713,910	99,252,917	82,042,749
Receivables from rendering of services	-	-	-	-
Less: Allowance for doubtful debt (note 21.3)	(9,439,523)	(10,056,409)	(9,304,437)	(8,690,857)
	<u>92,630,257</u>	<u>74,657,501</u>	<u>89,948,480</u>	<u>73,351,892</u>
<b>Other receivables</b>				
Supplier advances	8,169,752	7,734,403	6,849,941	7,217,163
Amount owed by related entities (note 31.2)	-	-	4,631,755	4,031,346
Amount owed by staff debtors	137,561	78,928	107,556	70,916
Prepayments and accrued income	1,965,200	2,694,527	1,908,588	2,414,601
Other receivables	5,957,995	4,313,009	5,611,193	4,313,009
	<u>108,860,765</u>	<u>89,478,368</u>	<u>109,057,513</u>	<u>91,398,927</u>
<b>Analysed as follows</b>				
Current Portion	108,291,146	88,634,246	108,507,194	90,554,805
Non-current Portion	569,619	844,122	550,319	844,122
	<u>108,860,765</u>	<u>89,478,368</u>	<u>109,057,513</u>	<u>91,398,927</u>

Trade receivables expected to be recovered within one year include retentions of Nil (2015: N989 million) relating to contracts in progress.

Trade and other receivables are classified as loans and receivables.

The Group has recognised an allowance for doubtful debts (see note 21.3) against all receivables over 6 years because management's continuous efforts to recover these debts is gradually becoming uncertain. Allowances for doubtful debts are recognised against trade receivables based on management's assessment of the credit quality of individual customers, receivables that are in dispute, financial standing of customers and the willingness of the customers to pay.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are more than 3 years outstanding are still considered recoverable.

21.1 Age of receivables that are past due but not impaired				
0 - 3 years	108,860,765	88,414,892	109,057,513	90,335,451
Above 3 years	-	1,063,476	-	1,063,476
	<u>108,860,765</u>	<u>89,478,368</u>	<u>109,057,513</u>	<u>91,398,927</u>
21.2 Age of receivables that are past due but impaired				
0 - 3 years	4,254,141	3,935,400	4,119,055	3,935,400
Above 3 years	5,185,382	6,121,009	5,185,382	4,755,457
	<u>9,439,523</u>	<u>10,056,409</u>	<u>9,304,437</u>	<u>8,690,857</u>

Based on past experience, the group believes that no material impairment allowance is necessary in respect of trade receivables not past due.

21.3 Allowances for credit losses				
Balance at 1 January	10,056,409	1,303,129	8,690,857	1,234,825
Impairment losses recognised on receivables	(616,886)	8,827,600	613,580	7,530,352
Amounts written off during the year as uncollectible	-	(74,320)	-	(74,320)
Amounts recovered during the year	-	-	-	-
<b>Balance at 31 December</b>	<u>9,439,523</u>	<u>10,056,409</u>	<u>9,304,437</u>	<u>8,690,857</u>

In determining the recoverability of trade receivables, the group considered changes in the credit quality of trade receivables from the date credit was initially granted up to the end of the reporting period with emphasis on a certificate by certificate basis.



**21. Trade and other receivables (Continued)**
**21.4 Information about concentration risk**

Trade receivable exposures are typically with the federal and state governments which are the major customers of the group and credit risks are greatly minimised through forward funding where achievable.

	Group		Company	
21.5 Contract and retention receivables	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Balance at 1 January	84,713,910	50,437,397	82,042,749	52,726,992
Movements in the year	17,355,870	34,276,513	17,210,168	29,315,757
<b>Balance at 31 December</b>	<b>102,069,780</b>	<b>84,713,910</b>	<b>99,252,917</b>	<b>82,042,749</b>

**22. Tax receivable**

Balance at 1 January	26,332,120	40,635,621	25,509,480	39,738,157
Movements in the year	11,108,418	(6,692,934)	11,102,257	(6,725,123)
Utilised as tax offset	(5,298,472)	(2,572,688)	(5,235,576)	(2,465,675)
	32,142,066	31,369,999	31,376,161	30,547,359
Allowances	(4,698,189)	(5,037,879)	(4,698,189)	(5,037,879)
<b>Balance at 31 December</b>	<b>27,443,877</b>	<b>26,332,120</b>	<b>26,677,972</b>	<b>25,509,480</b>
Made up as follows:				
Current portion	1,417,845	5,566,478	1,395,660	5,235,578
Non-current portion	26,026,032	20,765,642	25,282,312	20,273,902
	<b>27,443,877</b>	<b>26,332,120</b>	<b>26,677,972</b>	<b>25,509,480</b>

Tax receivable include credit notes confirmed by the Federal Inland Revenue Service of N21.16 billion (2015: N5.22 billion) relating to deductions of Withholding tax on approved certificates made by various clients and advance payment of VAT on contract of N4.8 billion (2015: N9.7 billion). The remaining balance represents deductions on withholding tax for which the credit notes have not been received and thus not confirmed by the Federal Inland Revenue Service.

**23. Issued capital and dividend**

Share Capital (Note 23.1)	660,000	660,000
Share Premium	425,440	425,440
	<b>1,085,440</b>	<b>1,085,440</b>

23.1 The authorised share capital of the company is N800,000 million [2015: N800,000 million]. This comprises 1,600 million (2015: 1,600 million) ordinary shares of 50 kobo each. Issued and fully paid share capital consists of 1,320 million (2015: 1,320 million) shares at 50 kobo each. All the ordinary shares rank parri passu in all respects. To the company's knowledge and belief, there are no restrictions on the transfer of shares in the company or on voting rights between holders of shares.

There was no movement in issued share capital during the period.

The directors would not be recommending to the members at the 47th Annual General Meeting, payment of dividend for the financial year ended 31 December 2016.

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
24. Non-controlling interest				
Balance at beginning of year	57,180	670,660	-	-
Share of profit for the year	(9,654)	225	-	-
Share of foreign currency translation reserve	-	-	-	-
Dividend paid to non-controlling interest	(1,000)	-	-	-
Purchase of non-controlling interest	-	(613,705)	-	-
Balance at end of year	<u>46,526</u>	<u>57,180</u>	<u>-</u>	<u>-</u>
25. Borrowings				
Bank overdrafts (Note 25.1)	33,172,798	21,526,346	33,172,798	21,526,346
Term loan (Note 25.2)	-	3,281,590	-	3,281,590
	<u>33,172,798</u>	<u>24,807,936</u>	<u>33,172,798</u>	<u>24,807,936</u>
Made up as follows;				
Current portion	33,172,798	24,807,936	33,172,798	24,807,936
Non-current portion	-	-	-	-
	<u>33,172,798</u>	<u>24,807,936</u>	<u>33,172,798</u>	<u>24,807,936</u>

The borrowing within the Group is represented by only the parent Company and therefore the same.

25.1 Bank overdrafts comprise various facilities obtained by the Group to meet import financing and working capital requirements.

25.2 This represents a term loan secured from HSBC Bank London. The loan was to finance supply of capital goods and related services with German exporters up to a maximum aggregate amount of €62,720,000. The loan was with a tenure of 4 years. Interest is payable half yearly at six months above EURIBOR plus 1.2 margin. 85% of the loan is secured by Hermes Euler Credit Recovery Insurance. The facility was guaranteed by Zenith Bank Nigeria Plc. The repayment of the loan was completed in the year which comprise of both principal and interest payments. These have been incorporated in these financial statements.

	31/12/2016	31/12/2015
	N'000	N'000
25.2.1 Term loan movement schedule		
Balance at 1 January	3,281,590	6,142,082
Additions in the year	-	-
Repayment in the year	(3,281,590)	(3,305,978)
Exchange difference on translation	-	445,486
Balance at 31 December	<u>-</u>	<u>3,281,590</u>
Made up as follows;		
Current portion	-	3,281,590
Non-current portion	-	-
	<u>-</u>	<u>3,281,590</u>



**26. Retirement benefit liabilities**
**26.1 Defined contribution plan**

Retirement benefits for members of staff are structured through a defined contributory pension scheme, which is independent of the Group's finances and is managed by private pension fund administrators. The scheme, which is funded by contributions from both employees at 8% and employer at 10% each of relevant emoluments, is consistent with the Pension Reform Act 2014.

**Staff pensions**

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Balance at 1 January	151,438	95,294	24,501	40,152
Provision during the year	603,118	1,016,887	517,223	694,152
Remittance to pension fund administrators	(715,423)	(960,743)	(514,578)	(709,803)
<b>Balance at 31 December</b>	<b>39,133</b>	<b>151,438</b>	<b>27,146</b>	<b>24,501</b>

The total expense for the defined contribution plans amounted to N603 million (2015: N1,017 million).

**26.2 Defined benefit plan - Discontinued scheme**

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Present value of unfunded defined benefit obligation	2,463,491	1,853,781	1,311,668	1,420,945
Deficit	-	-	-	-
Net actuarial gains/(losses) not recognised	-	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>2,463,491</b>	<b>1,853,781</b>	<b>1,311,668</b>	<b>1,420,945</b>
Movements in the present value of the defined benefit obligation in the current year were as follows.				
Opening defined benefit obligation	1,853,781	1,996,506	1,420,945	1,606,929
Current service cost	891,646	129,175	82,405	85,916
Interest on defined benefit obligation	160,234	186,096	160,234	186,096
Curtailment	-	135,258	-	135,258
Actuarial gains/losses due to experience adjustment	(122,845)	180,372	(122,845)	180,372
Payments in the year	(319,325)	(773,626)	(229,071)	(773,626)
<b>Closing defined benefit obligation</b>	<b>2,463,491</b>	<b>1,853,781</b>	<b>1,311,668</b>	<b>1,420,945</b>
Liability in the statement of financial position				
Current portion	39,133	151,438	27,146	24,501
Non-current portion	2,463,491	1,853,781	1,311,668	1,420,945
	<b>2,502,624</b>	<b>2,005,219</b>	<b>1,338,814</b>	<b>1,445,446</b>
The amount recognised in profit or loss and included within staff costs				
	<b>1,654,998</b>	<b>1,467,416</b>	<b>759,862</b>	<b>1,101,422</b>
The total amount is recognised in the year analysed as follows:				
Statement of profit or loss:				
Cost of sales	891,646	129,175	82,405	85,916
Administrative expenses	763,352	1,338,241	677,457	1,015,506
	<b>1,654,998</b>	<b>1,467,416</b>	<b>759,862</b>	<b>1,101,422</b>
Other comprehensive income				
	<b>(122,845)</b>	<b>180,372</b>	<b>(122,845)</b>	<b>180,372</b>
	<b>1,532,153</b>	<b>1,647,788</b>	<b>637,017</b>	<b>1,281,794</b>

**26. Retirement benefit liabilities (continued)**

26.3 In the 2012 financial year, an agreement was signed between the Company and the staff union on staff employments benefits pursuant to the termination of the old scheme under the National Joint Industrial Council (NJIC) agreement. The scheme is designed for the benefit of staff member with at 5 years continuous service for ex-gratia and 10 years continuous service for severance benefits.

There are no planned assets for the scheme as the group believe that these obligations can be supported in the event they become payable. The present value of the defined benefit obligation, and the related current service cost and past service cost, were performed in-house and measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation at	
	31/12/2016	31/12/2015
	%	%
Discount rate(s)	15.8	12.0
Expected rate(s) of salary increase	12.0	11.0
Average rate(s) of inflation	18.0	9.0

Note: The discount rate used is the average yield on government securities.

Other assumptions:

- The scheme computation is based on the agreement with the staff unions;
- The basis of computation are in line with the exit bonus and ex-gratia payments; and
- The death rate is ignorable as a minimal number of staff deaths while in service were recorded.

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.	1,051,880	450,529	242,639	407,270

The expense for the year is included in the employee benefits expense in profit or loss.

**27. Trade and other payables**

Trade payables (27.1)	12,269,107	11,171,712	8,768,282	14,656,566
Amount owed to related entities (note 31.2)	-	-	27,705,980	18,870,288
Other taxation and social security costs	7,553,613	3,709,419	7,544,908	3,689,174
Accruals and deferred income	11,353,005	9,329,792	5,802,271	5,497,115
Dividend payable	1,275,005	1,199,227	1,266,005	1,189,227
Other payables	11,564,588	9,186,675	103,954	223,325
<b>Trade and other payables</b>	<b>44,015,318</b>	<b>34,596,825</b>	<b>51,191,400</b>	<b>44,125,695</b>

27.1 Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. For all the suppliers, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

27.2 Other taxation and social security costs represent deductions of VAT on advances and withholding taxes from suppliers and sub-contractors yet to be remitted to the Federal Inland Revenue Service.

The directors consider that the carrying amount of trade payables approximates to their fair value.



**28. Provisions**

Balance at beginning of year  
Provision no longer required  
Provision for the year  
Balance at end of year  
  
Made up as follows:  
Current portion  
Non-current portion

Group		Company	
31/12/2016	31/12/2015	31/12/2016	31/12/2015
N'000	N'000	N'000	N'000
404,308	2,135,994	300,000	-
-	(2,135,994)	-	-
49,924	404,308	-	300,000
<b>454,232</b>	<b>404,308</b>	<b>300,000</b>	<b>300,000</b>
-	-	-	-
<b>454,232</b>	<b>404,308</b>	<b>300,000</b>	<b>300,000</b>
<b>454,232</b>	<b>404,308</b>	<b>300,000</b>	<b>300,000</b>

**29. Reconciliation of profit to net cash provided by operating activities**

Profit/(loss) for the year  
Adjustments for:  
Investment income  
Finance costs  
Depreciation of property, plant and equipment  
Impairment loss of property, plant and equipment  
Depreciation of investment property  
Actuarial gains on retirement benefits  
Gain on disposal of property, plant and equipment  
Provision for VAT written off  
Increase in provisions

3,005,360	1,760,112	(3,533,365)	2,656,300
(284,681)	(139,763)	(86,502)	(3,678,069)
5,784,246	6,148,772	5,784,246	6,148,772
8,976,153	9,886,440	8,675,879	9,499,602
(1,617,525)	2,125,133	(1,690,092)	2,128,374
101,976	101,976	101,976	101,976
(122,845)	180,372	(122,845)	180,372
(4,495,160)	(1,696,628)	(4,504,005)	(1,695,347)
-	(6,308,748)	-	(6,308,748)
49,294	2,058,832	-	2,291,732

**Operating cash flows before movements in working capital**

(Increase)/decrease in inventories  
(Increase)/decrease in gross amount due from customers  
Increase in trade and other receivables  
(Increase)/decrease in tax receivable  
Increase/(decrease) in retirement benefit liabilities  
Increase/(decrease) in trade and other payables  
Increase in gross amount due to customers  
Cash generated by operations  
Movement in taxation

<b>11,396,818</b>	<b>14,116,498</b>	<b>4,625,292</b>	<b>11,324,964</b>
(589,410)	1,001,713	(227,135)	861,566
(5,854,028)	1,673,599	(2,433,208)	1,917,663
(19,382,397)	(23,516,271)	(17,658,586)	(23,203,911)
(1,111,757)	14,160,213	(1,168,492)	14,228,677
497,405	1,373,133	(106,632)	(201,636)
9,418,493	(3,543,628)	8,435,304	(3,666,795)
3,224,203	3,371,878	2,682,470	12,762,477
(2,400,673)	8,637,135	(5,850,987)	14,023,005
(3,883,774)	356,702	(1,369,305)	553,879

**Net cash from operating activities**

<b>(6,284,447)</b>	<b>8,993,837</b>	<b>(7,220,292)</b>	<b>14,576,884</b>
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**29.1 Analysis of cash, cash equivalents and net cash**

Cash and bank balances  
Cash and cash equivalents  
Borrowings

Group			
Balance at 1-Jan-2016	Cash flow	Exchange and non-cash movements	Balance at 31-Dec-2016
N'000	N'000	N'000	N'000
13,360,038	(2,775,516)	-	10,584,522
13,360,038	(2,775,516)	-	10,584,522
(24,807,936)	(8,364,862)	-	(33,172,798)
<b>(11,447,898)</b>	<b>(11,140,378)</b>	<b>-</b>	<b>(22,588,276)</b>

Cash and bank balances  
Cash and cash equivalents  
Borrowings

Company			
Balance at 1-Jan-2016	Cash flow	Exchange and non-cash movements	Balance at 31-Dec-2016
N'000	N'000	N'000	N'000
10,148,623	(3,919,108)	-	6,229,515
10,148,623	(3,919,108)	-	6,229,515
(24,807,936)	(8,364,862)	-	(33,172,798)
<b>(14,659,313)</b>	<b>(12,283,971)</b>	<b>-</b>	<b>(26,943,283)</b>



**30. Financial instruments**
**30.1 Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy is to thrive on quality in offering integrated construction solutions and services while maintaining its core competence and efficient working capital management with low cost for funds.

The capital structure of the Group and Company consists of net debt (which includes the borrowings offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the financial statements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limit.

The gearing ratio at the year end is as follows:

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Debt	33,172,798	24,807,936	33,172,798	24,807,936
Cash and bank balance	(10,584,522)	(13,360,038)	(6,229,515)	(10,148,623)
Net debt (i)	<u>22,588,276</u>	<u>11,447,898</u>	<u>26,943,282</u>	<u>14,659,313</u>
Equity (ii)	25,316,315	24,291,955	13,145,087	18,658,452
Net debt to equity ratio	<u>0.89</u>	<u>0.47</u>	<u>2.05</u>	<u>0.79</u>

i. Debt is defined as current and non-current term borrowings as described in the appropriate note.

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

**30.2 Categories of financial instruments**

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
<b>Financial Assets</b>				
<b>Loans and receivables</b>				
Trade and other receivables	102,207,341	84,792,838	99,360,473	86,145,011
Tax receivable	27,443,877	26,332,120	26,677,972	25,509,480
Amount due from customers under construction contracts	33,082,455	27,228,427	29,637,665	27,204,457
Cash and bank balances	10,584,522	13,360,038	6,229,515	10,148,623
	<u>173,318,195</u>	<u>151,713,423</u>	<u>161,905,626</u>	<u>149,007,571</u>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	33,172,798	24,807,936	33,172,798	24,807,936
Retirement benefit liabilities	39,133	151,438	27,146	24,501
Trade and other payables	44,015,318	34,596,825	51,191,400	44,125,695
	<u>77,227,249</u>	<u>59,556,199</u>	<u>84,391,344</u>	<u>68,958,132</u>



**30. Financial instruments (continued)**
**30.3 Risk management**

The Group has an integrated risk management system that identifies and measures the impact of the risks it faces. Further more, it establishes a framework to evaluate and counteract such risks through various control and monitoring mechanisms. Such risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

**30.3.1 Market risk management**

Market risk exposures are measured using sensitivity analysis and there has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

**30.3.1.1 Interest rate risk management**

The Group is exposed to interest rate risk from bank overdraft. Since it is repayable on demand, the carrying amount reflects the fair value and the Group's exposure to interest risk as at the reporting date.

**30.3.2 Foreign currency risk management**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The group utilises a currency mix with part agreement in Naira and part in either Euro or US Dollar for contracts that are expected to last for more than one financial year.

The Group publishes its consolidated and separate account in Naira. It conducts business in a range of currencies, including Euro and US Dollar. As a result, the Group is exposed to foreign exchange risks, which will affect transaction costs and the translation results.

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Monetary assets/liabilities denominated in Euro				
Cash and bank balances	3,783,121	(9,489,086)	859,680	(12,024,173)
Trade receivables	9,202,156	8,698,740	7,033,236	6,725,381
Trade payables	(16,382,702)	(8,119,488)	(3,831,954)	(3,078,257)
	<b>(3,397,425)</b>	<b>(8,909,834)</b>	<b>4,060,962</b>	<b>(8,377,049)</b>
Monetary assets/liabilities denominated in Dollars				
Cash and bank balances	1,652,703	12,182,869	1,652,703	12,182,869
Trade receivables	2,195,009	-	2,195,009	-
Trade payables	-	(52,990)	-	(52,990)
	<b>3,847,712</b>	<b>12,129,879</b>	<b>3,847,712</b>	<b>12,129,879</b>

18% 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. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 18% change in foreign currency rates. Foreign exchange rate risk sensitivity to foreign exchange movements in the above example has been calculated on a symmetric basis. The symmetric basis assumes that a increase or decrease in foreign exchange movement would result in the same amount.

Naira depreciates by 18% (2015: 12%) against Euro	611,537	1,069,180	(730,973)	1,005,246
Naira depreciates by 18% (2015: 12%) against US Dollar	(692,588)	(1,455,585)	(692,588)	(1,455,585)
Impact on reported profit	<b>(81,051)</b>	<b>(386,405)</b>	<b>(1,423,561)</b>	<b>(450,339)</b>

Foreign exchange rate risk sensitivity to foreign exchange movements in the above example has been calculated on a symmetric basis. The symmetric basis assumes that increase or decrease in foreign exchange movement would result in the same amount.



**30. Financial instruments (continued)**
**30.3.3 Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing activities (primarily trade receivables), and from its financing activities; including deposits with financial institutions and financial guarantees. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (in form of advances), where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with government, government institutions and other top rate entities and individuals that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

**30.3.3.1 Trade receivables**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterpart. Counterpart credit limits are reviewed by the Group's financial controller periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

**30.3.3.2 Deposits with financial institutions**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterpart. Counterpart credit limits are reviewed by the Group's financial controller periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

**30.3.3.3 Exposure to credit risks**

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Trade receivables	92,630,257	74,657,501	89,948,480	73,351,892
Cash and bank balances	10,584,522	13,360,038	6,229,515	10,148,623
	<u>103,214,779</u>	<u>88,017,539</u>	<u>96,177,995</u>	<u>83,500,515</u>

**30.3.3.4 Collateral held as security and other credit enhancements**

Except in the form of advances, the Group does not hold any other collateral or other credit enhancements to cover its credit risks associated with its financial assets.



**30. Financial instruments (continued)**
**30.3.4 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group 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.

**Liquidity tables**

The maturity profile of the recognised financial instruments are as follows:

	<b>Group</b>			
	<b>&lt; 1 year</b>	<b>1 -3 years</b>	<b>3-6 years</b>	<b>Total</b>
<b>Financial assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade and other receivables	102,207,341	-	-	102,207,341
Tax receivable	1,483,002	25,960,875	-	27,443,877
Amount due from customers under construction contracts	33,082,455	-	-	33,082,455
Cash and bank balances	10,584,522	-	-	10,584,522
	<b>147,357,320</b>	<b>25,960,875</b>	<b>-</b>	<b>173,318,195</b>
<b>Financial liabilities</b>				
Borrowings	33,172,798	-	-	33,172,798
Trade and other payables	44,015,318	-	-	44,015,318
Retirement benefit liabilities	39,133	-	-	39,133
	<b>77,227,249</b>	<b>-</b>	<b>-</b>	<b>77,227,249</b>

	<b>Company</b>			
	<b>&lt; 1 year</b>	<b>1 -3 years</b>	<b>3-6 years</b>	<b>Total</b>
<b>Financial assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade and other receivables	100,298,984	-	-	100,298,984
Tax receivable	1,395,660	25,282,312	-	26,677,972
Amount due from customers under construction contracts	29,637,665	-	-	29,637,665
Cash and bank balances	6,229,515	-	-	6,229,515
	<b>137,561,824</b>	<b>25,282,312</b>	<b>-</b>	<b>162,844,136</b>
<b>Financial liabilities</b>				
Borrowings	33,172,798	-	-	33,172,798
Trade and other payables	51,191,400	-	-	51,191,400
Retirement benefit liabilities	27,146	-	-	27,146
	<b>84,391,344</b>	<b>-</b>	<b>-</b>	<b>84,391,344</b>

**30.3.5 Fair value of financial instruments**

Trade and other receivables/payables, cash and cash equivalents and short term investments are valued at their amortised cost, which are deemed to reflect their value.

**31. Related party information**
**31.1 Identity of related entities**

Abumet Nigeria Limited	Subsidiary
Julius Berger Services Nigeria Limited	Subsidiary
PrimeTech Design and Engineering Limited	Subsidiary
Julius Berger Medical Services Limited	Subsidiary
Julius Berger International GmbH	Subsidiary
Julius Berger Investments Limited	Subsidiary
Julius Berger Free Zone Enterprise	Subsidiary
Construction Engineering Contracting GmbH	Sub-subsidiary
Key management personnel (note 31.4)	

- i Abumet Nigeria Limited: This is a 90% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- ii Julius Berger Services Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from stevedoring services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- iii PrimeTech Design and Engineering Limited: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from Design and Engineering services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- iv Julius Berger Medical Services Limited: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from Medical services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- v Julius Berger International GmbH: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- vi Julius Berger Investments Limited: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company did not enter into any transactions with the related party in the period.
- vii Julius Berger Free Zone Enterprise: This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from engineering services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.
- viii Construction Engineering Contracting GmbH: This is a wholly owned subsidiary of Julius Berger International GmbH (a 100% owned subsidiary of Julius Berger Nigeria Plc). The company did not enter into any transactions with the related party in the period.



**31. Related party information (Continued)**
**31.2 Outstanding balances**

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Due from related entities				
Abumet Nigeria Limited	-	-	2,382,204	1,119,657
Julius Berger Services Nigeria Limited	-	-	240,406	425,090
PrimeTech Design and Engineering Limited	-	-	178,803	437,074
Julius Berger Medical Services Limited	-	-	911,935	1,023,964
Julius Berger International GmbH	-	-	61,597	22
Julius Berger Free Zone Enterprise	-	-	856,810	1,025,539
	-	-	<b>4,631,755</b>	<b>4,031,346</b>
Due to related entities				
Abumet Nigeria Limited	-	-	425,984	218,772
Julius Berger Services Nigeria Limited	-	-	271,036	259,917
PrimeTech Design and Engineering Limited	-	-	79,769	196,836
Julius Berger Medical Services Limited	-	-	491,534	426,964
Julius Berger International GmbH	-	-	23,667,158	17,767,799
Julius Berger Free Zone Enterprise	-	-	2,770,499	-
	-	-	<b>27,705,980</b>	<b>18,870,288</b>

The outstanding balances due from/to related entities are not secured.

**31.3 Related party transactions**

During the year the company traded with related parties on terms similar to such transaction entered into with third parties as follows:

	Group		Company	
	Sale of goods and services	Purchase of goods and services	Sale of goods and services	Purchase of goods and services
	N'000	N'000	N'000	N'000
Julius Berger Services Nigeria Limited	-	-	147,806	873,780
Abumet Nigeria Limited	-	-	1,419,039	952,832
PrimeTech Design and Engineering Limited	-	-	521,973	645,295
Julius Berger Medical Services Limited	-	-	1,040,801	2,018,560
Julius Berger International GmbH	-	-	63,053	8,339,802
Julius Berger Free Zone Enterprise	-	-	1,262,519	-
	-	-	<b>4,455,191</b>	<b>12,830,269</b>

**31. Related party information (Continued)**
**Key management personnel**

Mr. Mutiu Sunmonu, CON	- Chairman
Engr. Heinz Stockhausen (German)	- Vice Chairman
HRH Igwe Peter Nwokike Anugwu, J.P., OFR	- Independent Director
Engr. Jafaru Damulak	- Director
Dr. Ernest Nnaemeka Azudialu-Obiejesi	- Director
Mr. George Marks (German)	- Director
Engr. Wolfgang Goetsch (Austrian)	- Managing Director (Executive)
Mr. Wolfgang Kollermann (German)	- Financial Director (Executive)
Alhaji Zubairu Bayi	- Director Administration (Executive)

31.4 Remuneration of key management personnel	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Short term benefits	405,405	460,858	403,405	458,858
Long term benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
	<b>405,405</b>	<b>460,858</b>	<b>403,405</b>	<b>458,858</b>

The short term benefits include fees and expenses and other remunerations for Directors

**31.5 Details of loans from/to key management personnel**

There were no loans from/to key management personnel during the reporting period.

**31.6 Identify the ultimate controlling party of Julius Berger Nigeria Plc.**

No entity has been identified as the ultimate controlling party for the reporting period.

**31.7 Other information on key management personnel**

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	N'000	N'000	N'000	N'000
Emoluments:				
Chairman	5,200	5,200	5,200	5,200
Other directors	400,205	455,658	398,205	453,658
	<b>405,405</b>	<b>460,858</b>	<b>403,405</b>	<b>458,858</b>
Fees	22,275	20,700	22,275	20,700
Other emoluments	383,130	440,158	381,130	438,158
	<b>405,405</b>	<b>460,858</b>	<b>403,405</b>	<b>458,858</b>
Highest paid director	<b>176,806</b>	<b>147,433</b>	<b>176,806</b>	<b>147,433</b>

The number of directors excluding the chairman whose emoluments fell within the following ranges were:

N	N				
190,001	- 3,000,000	4	8	4	8
3,000,001	and above	6	7	5	5
Number of directors who had no emoluments		-	-	-	-

No Director's emoluments other than stated were waived during the year and no payments were made to any Directors, past or present in respect of pension and compensation for loss of office.



**32. Guarantees and other financial commitments****32.1 Guarantee, pledge of financial commitments**

The Company and its subsidiaries did not guarantee or pledge any financial commitment for liabilities of third parties.

**32.2 Contingent liabilities**

There were no known contingent liabilities in the ordinary course of business.

**32.3 Financial commitments**

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements.

**33. Events after the reporting period**

There were no material events after the reporting period which could have had material effect on the state of affairs of the Group as at 31 December 2016 and the profit for the year then ended date that have not been adequately provided for or recognised in the financial statements.

**34. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 15th March 2017.

**STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
	%	%	%	%
Revenue	138,993,752	133,807,574	119,813,392	119,242,541
Bought in materials and services:				
Foreign	(7,925,153)	(3,564,510)	(20,755,422)	(33,806,749)
Local	(58,387,021)	(67,005,478)	(48,968,484)	(32,420,549)
<b>Value added</b>	<b>72,681,578</b>	<b>63,237,586</b>	<b>50,089,486</b>	<b>53,015,243</b>
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Applied as follows:				
<i>To pay employees' salaries, wages, and social benefits:</i>				
Staff costs	52,560,237	41,652,397	36,643,791	31,210,927
	72.3	65.9	73.2	58.9
<i>To pay providers of capital:</i>				
Finance costs	5,784,246	6,148,772	5,784,246	6,148,772
	8.0	9.7	11.5	11.6
<i>To pay government:</i>				
Taxation	1,423,923	6,106,748	1,395,660	5,770,100
	2.0	9.7	2.8	10.9
<i>To provide for maintenance and development</i>				
Depreciation	9,078,129	9,846,250	8,777,855	9,601,578
Deferred tax	829,683	(2,276,693)	1,021,299	(2,372,434)
Retained earnings	3,015,014	1,759,887	(3,533,365)	2,656,300
Non-controlling interest	(9,654)	225	-	-
	(0.0)	0.0	-	-
<b>Value added</b>	<b>72,681,578</b>	<b>63,237,586</b>	<b>50,089,486</b>	<b>53,015,243</b>
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Value added represents the additional wealth which the Company has been able to create by its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government, providers of finance and that retained for the future creation of more wealth.



**Balance sheet**

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
<b>Non-current assets</b>					
Property, plant and equipment	49,712,834	58,376,513	68,369,671	67,995,915	57,079,027
Goodwill	8,348,748	5,041,184	4,606,412	4,842,708	4,634,422
Other intangible assets	2,766	32,712	77,402	118,297	127,935
Investment property	2,444,460	2,546,436	2,648,412	780,177	-
Investment in subsidiaries	-	-	-	-	-
Trade and other receivables	569,619	844,122	2,334,764	1,469,591	1,706,067
Tax receivables	25,962,564	21,039,915	35,060,509	31,075,595	25,957,783
Deferred tax assets	5,453,858	10,087,301	8,041,407	7,468,271	3,017,036
Other financial assets	-	-	-	-	4,125,734
Net current liabilities	64,023,646	48,542,538	19,201,927	8,303,547	13,574,847
	<b>156,518,495</b>	<b>146,510,721</b>	<b>140,340,504</b>	<b>122,054,101</b>	<b>110,222,851</b>
<b>Non-current liabilities</b>					
Borrowings	-	-	(3,201,710)	(6,435,141)	-
Retirement benefits liabilities	(2,463,491)	(1,853,781)	(1,996,506)	(2,033,004)	(1,656,643)
Deferred tax liabilities	(9,185,562)	(12,989,322)	(13,220,121)	(12,336,676)	(5,666,877)
Amount due to customers under construction contracts	(119,098,895)	(106,971,355)	(93,690,330)	(80,214,852)	(87,755,151)
Provisions	(454,232)	(404,308)	(2,135,994)	-	-
<b>Net Assets</b>	<b>25,316,315</b>	<b>24,291,955</b>	<b>26,095,843</b>	<b>21,034,428</b>	<b>15,144,180</b>
<b>Capital and reserves</b>					
Share capital	660,000	660,000	660,000	600,000	600,000
Share premium	425,440	425,440	425,440	425,440	425,440
Foreign currency translation reserve	7,119,062	419,755	919,411	687,896	222,992
Retained earnings	17,065,287	22,729,580	23,420,332	18,863,052	13,774,577
Attributable to equity holders of the parent	25,269,789	24,234,775	25,425,183	20,576,388	15,023,009
Non - controlling interest	46,526	57,180	670,660	458,040	121,171
	<b>25,316,315</b>	<b>24,291,955</b>	<b>26,095,843</b>	<b>21,034,428</b>	<b>15,144,180</b>
<b>Turnover and profit</b>					
Revenue	138,993,752	133,807,574	196,808,632	212,737,291	201,565,276
Profit before taxation	(1,498,029)	6,499,973	13,134,896	16,220,536	12,341,492
Profit after taxation	3,015,014	1,759,887	8,088,795	8,064,235	8,193,543
Dividend	-	1,980,000	3,564,000	3,240,000	3,000,000
<b>Earnings per ordinary share (Naira):</b>					
- Actual	2.28	1.33	6.13	6.72	6.83
- Diluted/ Adjusted	2.28	1.33	6.13	6.11	6.21
<b>Net Asset per share (Naira):</b>					
- Actual	19.18	18.40	19.77	17.53	12.62
- Diluted/ Adjusted	19.18	18.40	19.77	15.94	11.47
<b>Dividend per share (Naira):</b>					
- Actual	-	1.50	2.70	2.70	2.50
- Diluted/ Adjusted	-	1.50	2.70	2.45	2.27
- Dividend cover (times)	-	0.89	2.23	2.49	2.73

Earnings, dividend and net asset per share are based on profit after tax attributable to equity holders of the parent and the number of issued and fully paid ordinary shares at the end of each financial year.



**Balance sheet**

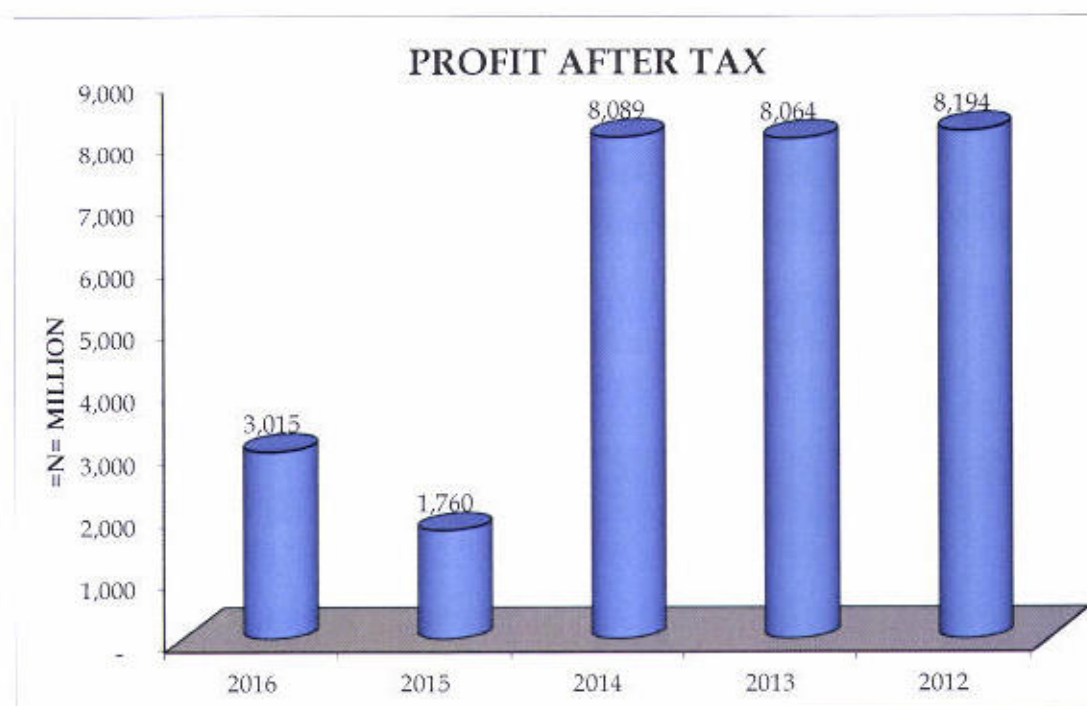
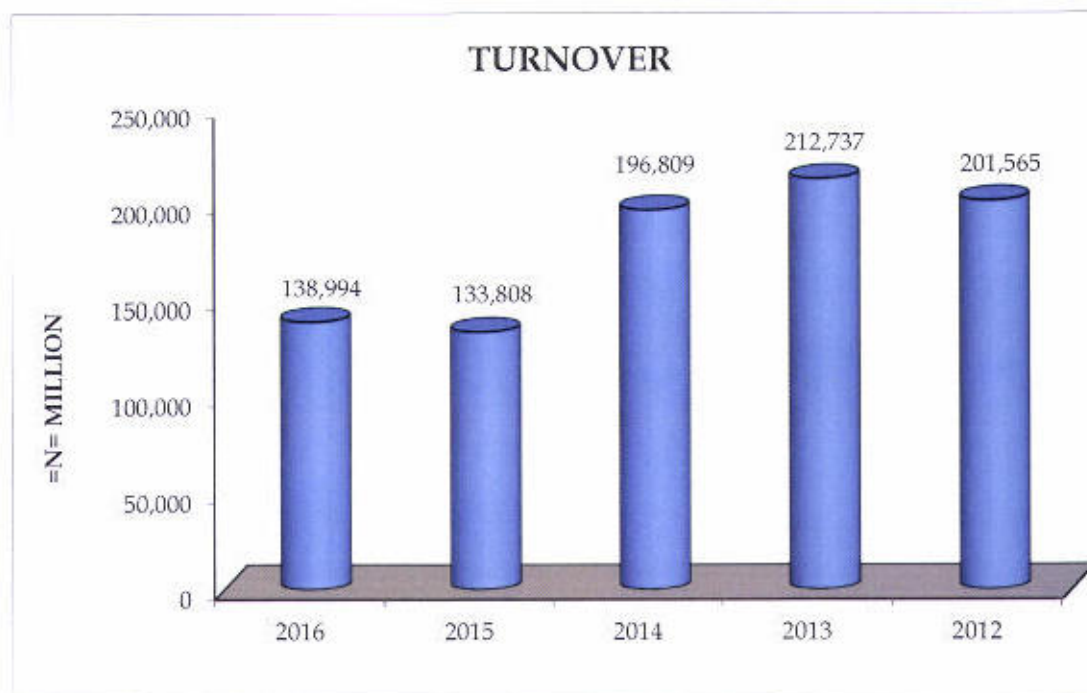
	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
<b>Non-current assets</b>					
Property, plant and equipment	47,093,218	55,470,657	66,711,736	66,542,850	56,172,990
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Investment property	2,444,460	2,546,436	2,648,412	780,177	-
Investment in subsidiaries	15,193,398	15,193,398	13,131,581	12,195,207	11,375,207
Trade and other receivables	550,319	844,122	1,622,333	1,469,591	1,706,063
Tax receivables	25,282,312	20,273,902	34,272,482	30,313,672	25,368,942
Deferred tax assets	5,375,286	9,874,831	7,867,780	7,772,392	2,899,471
Other financial assets	-	-	-	-	4,125,734
Net current liabilities	47,006,870	40,089,016	4,744,619	(1,759,845)	7,354,969
	<b>142,945,863</b>	<b>144,292,362</b>	<b>130,998,963</b>	<b>117,314,044</b>	<b>109,003,376</b>
<b>Non-current liabilities</b>					
Borrowings	-	-	(3,201,710)	(6,435,141)	-
Retirement benefits liabilities	(1,311,668)	(1,420,945)	(1,606,929)	(1,678,155)	(1,449,205)
Deferred tax liabilities	(9,090,213)	(12,568,459)	(12,933,842)	(12,675,558)	(5,693,035)
Amount due to customers under construction contracts	(119,098,895)	(111,344,506)	(93,690,330)	(80,214,852)	(87,339,455)
Provisions	(300,000)	(300,000)	-	-	-
Net Assets	<b>13,145,087</b>	<b>18,658,452</b>	<b>19,566,152</b>	<b>16,310,338</b>	<b>14,521,681</b>
<b>Capital and reserves</b>					
Share capital	660,000	660,000	660,000	600,000	600,000
Share premium	425,440	425,440	425,440	425,440	425,440
Foreign currency translation reserve	-	-	-	-	-
Retained earnings	12,059,647	17,573,012	18,480,712	15,284,898	13,496,241
Attributable to equity holders of the parent	13,145,087	18,658,452	19,566,152	16,310,338	14,521,681
Non - controlling interest	-	-	-	-	-
	<b>13,145,087</b>	<b>18,658,452</b>	<b>19,566,152</b>	<b>16,310,338</b>	<b>14,521,681</b>
<b>Turnover and profit</b>					
Revenue	119,813,392	119,242,541	179,978,707	184,212,185	196,954,713
Profit before taxation	(1,239,251)	6,234,338	10,028,524	10,976,029	13,496,241
Profit after taxation	(3,533,365)	2,656,300	6,495,814	4,733,213	7,772,055
Dividend	-	1,980,000	3,564,000	3,240,000	3,000,000
<b>Earnings per ordinary share (Naira):</b>					
- Actual	(2.68)	2.01	4.92	3.94	6.48
- Diluted/ Adjusted	(2.68)	2.01	4.92	3.59	5.89
<b>Net Asset per share (Naira):</b>					
- Actual	9.96	14.14	14.82	13.59	12.10
- Diluted/ Adjusted	9.96	14.14	14.82	12.36	11.00
<b>Dividend per share (Naira):</b>					
- Actual	-	1.50	2.70	2.70	2.50
- Diluted/ Adjusted	-	1.50	2.70	2.45	2.27
- Dividend cover (times)	-	1.34	1.82	1.46	2.59

Earnings, dividend and net asset per share are based on profit after tax attributable to equity holders of the parent and the number of issued and fully paid ordinary shares at the end of each financial year.



		Group		Company	
	Note	12/31/16 N'000	12/31/15 N'000	12/31/16 N'000	12/31/15 N'000
Revenue	6	138,993,752	133,807,574	119,813,392	119,242,541
<b>Cost of sales</b>					
Wages, salaries and allowances		26,157,681	24,720,079	23,453,598	18,262,052
Redundancy benefits		-	-	-	-
Materials & consumables		12,046,851	13,575,639	13,179,172	11,822,591
Sub-contractors		14,154,018	11,242,466	13,253,271	10,631,627
Petroleum products		9,299,426	6,994,000	9,213,206	6,908,514
Transportation of equipment		1,174,793	604,194	916,934	499,505
Spares and repairs		4,226,646	9,968,454	4,087,123	9,841,705
Depreciation		9,078,129	9,771,698	8,777,855	9,569,070
Planning, surveying and projecting expenses		8,629,747	14,596,576	8,246,509	13,673,947
		84,767,291	91,473,106	81,127,668	81,209,011
<b>Gross profit</b>		54,226,461	42,334,468	38,685,724	38,033,530
<b>Marketing expenses</b>					
Advertisement & publications		53,327	75,140	45,408	66,355
		53,327	75,140	45,408	66,355
<b>Administrative expenses</b>					
Salaries and allowances		25,565,141	16,932,318	13,067,347	13,129,247
Rents		2,296,375	2,160,552	1,172,595	995,966
Insurance		1,893,340	2,299,274	1,725,991	2,166,807
Travelling expenses		1,275,088	1,743,911	946,818	1,521,353
Entertainment		433,974	187,018	64,506	88,880
Motor vehicle expenses		242,001	159,861	147,141	127,924
Medical expenses		1,601,040	1,089,151	1,552,972	1,019,055
Audit fees		87,312	82,250	52,920	47,250
General office expenses and stationery		2,990,309	4,932,793	49,754	10,928,092
Telephone and telex expenses		274,063	320,893	161,481	188,673
Bank interest & charges		43,253	-	-	-
Photo expenses/donations		34,380	67,223	-	-
Legal and other professional fees		634,122	452,557	607,914	437,472
Subscription & registration		10,482	17,933	-	-
		37,380,880	30,445,734	19,549,439	30,650,719
<b>Operating profit</b>		16,792,254	11,813,594	19,090,877	7,316,456

**TURNOVER AND PROFIT AFTER TAX**





**EARNINGS & DIVIDEND PER SHARE**

