



**CONSOLIDATED UNAUDITED FINANCIAL
STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER, 2019**

Julius Berger Nigeria Plc
10 Shettima A. Munguno Crescent
Utako 900 108 | Abuja FCT
RC No. 6852

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

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

Directors: Mr. M. Sunmonu, CON, Chairman • Mr. G. Marks, Vice Chairman (German) • Engr. Dr. L. Richter, Managing Director (German)
Mr. M. Brack, Financial Director (German) • Alh. Z. I. Bayi, Director Administration • Mr. T. Meletschus, Director Corporate Development (German) • HRH Igwe P.N. Anugwu, JP, OFR
Dr. E.N. Azudialu-Obiejesi • Engr. J. Damulak • Mrs. B. A. Disu • Engr. G. M. Sheikh • Engr. H. Stockhausen (German) • Mrs. G. O. Talabi



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FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019

SUMMARY

| | 3rd Quarter N'000 | Year to date N'000 |
|-------------------------|----------------------|-----------------------|
| Turnover | 60.488.481 | 192.271.501 |
| Profit before tax | 2.942.002 | 7.503.390 |
| Taxation | (464.089) | (2.190.602) |
| Profit/(loss) after tax | <u>2.477.913</u> | <u>5.312.789</u> |

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY

October 29, 2019

For more information please visit www.julius-berger.com.

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**CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019**


| | | | | | AUDITED |
|----------------------------------------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | | | 31/12/2018 |
| | | 2019 | | 2018 | |
| | | 3 months Jul - Sep | 9 months Jan - Sep | 3 months Jul - Sep | 9 months Jan - Sep |
| Note | N'000 | N'000 | N'000 | N'000 | N'000 |
| Revenue | 60,488,481 | 192,271,501 | 45,394,993 | 118,472,497 | 194,617,712 |
| Cost of sales | (48,823,025) | (150,756,458) | (35,209,822) | (94,109,756) | (142,609,199) |
| Gross profit | 11,665,456 | 41,515,042 | 10,185,171 | 24,362,741 | 52,008,513 |
| Other gains and losses | 750,726 | 849,559 | (1,288,251) | 3,559,444 | 2,290,326 |
| Marketing expenses | 12,416,182 | 42,364,601 | 8,896,920 | 27,922,185 | 54,298,839 |
| Administrative expenses | (21,249) | (103,018) | (39,483) | (74,361) | (126,806) |
| Impairment loss on trade and tax receivables | (7,400,458) | (29,846,815) | (6,974,497) | (19,332,653) | (34,466,762) |
| | (143,300) | 100,111 | - | - | (5,326,995) |
| Operating profit | 4,851,175 | 12,514,880 | 1,882,940 | 8,515,171 | 14,378,276 |
| Investment Income | 343,281 | 1,151,690 | 441,975 | 1,087,669 | 474,179 |
| Foreign exchange acquisition loss | - | - | 36,000 | (91,215) | (91,215) |
| Finance costs | (2,252,454) | (6,163,180) | (1,234,867) | (4,455,638) | (4,563,573) |
| Profit/(loss) before tax | 2,942,002 | 7,503,390 | 1,126,048 | 5,055,986 | 10,197,667 |
| Income tax expenses | (464,089) | (2,190,602) | (316,800) | (1,652,705) | (4,095,852) |
| Profit/(loss) after taxation | 2,477,913 | 5,312,789 | 809,249 | 3,403,281 | 6,101,815 |
| Profit/(loss) for the year | 2,477,913 | 5,312,789 | 809,249 | 3,403,281 | 6,101,815 |
| Other comprehensive Income for the year: | | | | | |
| Actuarial gains on retirement benefits | 53,892 | 161,675 | - | - | 215,567 |
| Related tax | (16,168) | (48,503) | - | - | (68,981) |
| | 37,724 | 113,173 | - | - | 146,586 |
| Exchange difference on translation of foreign operations | 300,120 | 997,235 | 1,128,645 | 3,258,288 | 752,529 |
| Total comprehensive income | 2,815,757 | 6,423,197 | 1,937,893 | 6,661,569 | 7,000,929 |
| Attributable to: | | | | | |
| Owners of the Company | 2,814,161 | 6,418,520 | 1,936,257 | 6,659,388 | 6,992,399 |
| Non-controlling interests | 1,597 | 4,676 | 1,636 | 2,181 | 8,530 |
| | 2,815,757 | 6,423,197 | 1,937,893 | 6,661,569 | 7,000,929 |
| Earnings per share (Naira) | 2.13 | 4.86 | 1.47 | 5.04 | 5.30 |
| Diluted earnings per share | 2.13 | 4.86 | 1.47 | 5.04 | 5.30 |

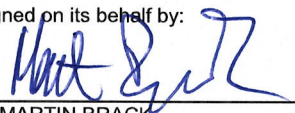
The tax rate applied above is assumed based on the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act, and 2% education tax based on the assessable profit of companies.

**CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019**

| | | 2019 | 2018 | AUDITED |
|-------------------------------------------------|---------|---------------------|---------------------|---------------------|
| | | 9 months | 9 months | 2018 |
| | | Jan - Sep | Jan - Sep | 2018 |
| | | N'000 | N'000 | N'000 |
| NON- CURRENT ASSETS | | | | |
| Property, plant and equipment | Notes 7 | 48,794,605 | 39,726,431 | 41,342,451 |
| Goodwill | | 9,049,377 | 9,560,562 | 9,434,576 |
| Other intangible assets | | - | 692 | - |
| Investment property | | 2,185,968 | 2,284,694 | 2,260,012 |
| Other financial assets | | 2,045,681 | - | 2,045,682 |
| Trade and other receivables | | 63,563,747 | 71,779,275 | 61,346,789 |
| Tax receivable | 9 | 26,187,801 | 18,376,110 | 17,211,734 |
| Deferred tax assets | | 2,601,853 | 2,516,800 | 2,577,821 |
| Total noncurrent assets | | 154,429,032 | 144,244,564 | 136,219,065 |
| CURRENT ASSETS | | | | |
| Inventories | | 18,567,078 | 18,453,107 | 13,465,981 |
| Trade and other receivables | | 129,013,914 | 79,917,288 | 101,484,352 |
| Current tax receivable | 9 | 1,815,634 | 1,077,389 | 2,571,549 |
| Contract asset | | 1,200,000 | - | 10,483,108 |
| Non- current assets classified as held for sale | | 225,690 | 981,622 | 210,227 |
| Cash and bank balances | | 25,484,226 | 19,206,528 | 23,995,718 |
| Total current assets | | 176,306,541 | 119,635,933 | 152,210,935 |
| CURRENT LIABILITIES | | | | |
| Contract liabilities | | (117,516) | - | (158,102) |
| Trade and other payables | 8 | (44,365,190) | (41,626,496) | (47,921,155) |
| Bank overdraft & loan | | (43,098,136) | (4,457,492) | (25,461,844) |
| Current tax payable | | (1,858,261) | (1,412,427) | (2,477,145) |
| Retirement benefit liabilities | 13 | (174,200) | (141,328) | (140,290) |
| Total current liabilities | | (89,613,303) | (47,637,743) | (76,158,536) |
| Net current assets/(liabilities) | | 86,693,239 | 71,998,191 | 76,052,398 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 241,122,271 | 216,242,755 | 212,271,463 |
| NON- CURRENT LIABILITIES | | | | |
| Retirement benefit liabilities | 13 | (4,792,445) | (4,285,575) | (3,045,094) |
| Deferred tax liabilities | | (7,735,532) | (7,185,883) | (7,546,216) |
| Contract Liabilities | | (178,400,133) | (166,158,142) | (160,609,800) |
| Trade and other payables | 8 | (9,056,175) | (5,674,978) | (4,578,295) |
| Provisions | | (1,940,224) | (800,000) | (1,074,169) |
| NET ASSETS | | 39,197,763 | 32,138,176 | 35,417,890 |
| EQUITY | | | | |
| Share capital | | 660,000 | 660,000 | 660,000 |
| Share premium | | 425,440 | 425,440 | 425,440 |
| Foreign currency translation reserve | | 11,258,162 | 12,766,686 | 10,260,927 |
| Retained earnings | | 26,795,875 | 18,228,790 | 24,009,914 |
| Attributable to owners of the company | | 39,139,477 | 32,080,916 | 35,356,281 |
| Non-controlling interest | | 58,285 | 57,260 | 61,609 |
| | | 39,197,763 | 32,138,176 | 35,417,890 |

These interim financial statements were approved by the Board on October 29, 2019 and signed on its behalf by:


ENGR. DR LARS RICHTER
FRC/2019/COREN/00000019602
MANAGING DIRECTOR


MARTIN BRACK
FRC/2014/ANAN/00000006481
FINANCIAL DIRECTOR

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**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019**

| | Share capital | Share premium | Foreign currency translation reserve | Retained earnings | Attributable to owners of the Company | Attributable to non - controlling interest | Total equity |
|------------------------------------------------|----------------|----------------|--------------------------------------|-------------------|---------------------------------------|--------------------------------------------|-------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 January 2019 | 660,000 | 425,440 | 10,260,927 | 24,009,914 | 35,356,281 | 61,609 | 35,417,890 |
| Impact of change in accounting policy | - | - | - | - | - | - | - |
| Adjusted balance at 1 January 2019 | 660,000 | 425,440 | 10,260,927 | 24,009,914 | 35,356,281 | 61,609 | 35,417,890 |
| Profit for the year | - | - | - | 5,312,789 | 5,312,789 | 4,676 | 5,317,465 |
| Other comprehensive income(net of tax) | - | - | 997,235 | 113,173 | 1,110,408 | - | 1,110,408 |
| Total comprehensive income for the year | - | - | 997,235 | 5,425,961 | 6,423,197 | 4,676 | 6,427,873 |
| Dividends to shareholders | - | - | - | (2,640,000) | (2,640,000) | (8,000) | (2,648,000) |
| Balance at 30 September 2019 | 660,000 | 425,440 | 11,258,162 | 26,795,875 | 39,139,477 | 58,285 | 39,197,763 |
| Balance at 1 January 2018 | 660,000 | 425,440 | 9,508,398 | 19,447,014 | 30,040,852 | 55,079 | 30,095,931 |
| Impact of change in accounting policy | - | - | - | (3,301,505) | (3,301,505) | - | (3,301,505) |
| Adjusted balance at 1 January 2018 | 660,000 | 425,440 | 9,508,398 | 16,145,509 | 26,739,347 | 55,079 | 26,794,426 |
| Profit for the year | - | - | - | 3,403,281 | 3,403,281 | 2,181 | 3,405,462 |
| Other comprehensive income(net of tax) | - | - | 3,258,288 | - | 3,258,288 | - | 3,258,288 |
| Total comprehensive income for the year | - | - | 3,258,288 | 3,403,281 | 6,661,569 | 2,181 | 6,663,750 |
| Dividends to shareholders | - | - | - | (1,320,000) | (1,320,000) | - | (1,320,000) |
| Balance at 30 September 2018 | 660,000 | 425,440 | 12,766,686 | 21,530,295 | 35,382,421 | 57,260 | 32,138,176 |

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**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019**

Cashflows from operating activities

| | 2019 | 2018 |
|--------------------------------------------------------------|-------------------------------|-------------------------------|
| | 9 months Jan - Sep | 9 months Jan - Sep |
| | N'000 | N'000 |
| Cash receipts from customers | 185,968,004 | 185,647,267 |
| Cash paid to suppliers and employees | (186,509,768) | (169,043,157) |
| Cash flows (used in)/provided by operating activities | (541,764) | 16,604,110 |
| Interest paid | (6,163,180) | (4,455,638) |
| Purchase of FOREX loss | - | (91,215) |
| Tax paid | (673,475) | (43,842) |
| Net cash used in operating activities | (7,378,419) | 12,013,415 |
| Cashflows from investing activities: | | |
| Interest received | 1,152,043 | 1,087,669 |
| Proceeds from sale of fixed assets | 454,996 | 539,948 |
| Purchase of fixed assets | (6,454,272) | (1,564,817) |
| Net cash provided by investing activities: | (4,847,232) | 62,799 |
| Cashflows from financing activities: | | |
| Loan received | - | - |
| Payment of Lease Liabilities | (1,274,132) | - |
| Dividend paid | (2,648,000) | (1,320,000) |
| Net cash used in financing activities: | (3,922,132) | (1,320,000) |
| Net increase in cash and cash equivalents | (16,147,784) | 10,756,214 |
| Cash and cash equivalent at 1st January 2019 | (1,466,126) | 3,992,822 |
| Cash and cash equivalent at 30th September 2019 | (17,613,910) | 14,749,036 |
| Cash and bank balances | 25,484,226 | 19,206,528 |
| Bank overdrafts | (43,098,136) | (4,457,492) |
| | (17,613,910) | 14,749,036 |

1. GENERAL INFORMATION

Julius Berger Nigeria Plc (the Company) was incorporated as a private limited liability company in 1970 and was converted to a public liability company in 1979 and the company's shares are quoted on the Nigerian Stock Exchange. The principal activities of the Company cover planning, design and construction of civil engineering and building works. The subsidiaries, Abumet (Nigeria) Limited in which the Company owns 90%, is involved in the manufacturing and installation of building aluminium components while Julius Berger Services Nigeria Limited a wholly owned subsidiary, is involved in port management services. Other subsidiaries include Julius Berger Medical Services Nigeria limited which is wholly owned and is into the provision of medical services while Primetech Engineering and Design Nigeria limited also wholly owned is into architectural and engineering design. Julius Berger Investments Limited is a wholly owned subsidiary and was incorporated in June 2012 as an investment company to acquire securities and act as investment managers, while Julius Berger International GmbH Wiesbaden - Germany was acquired in May 2012 as Procurement and Supporting Unit of the JB Group. JBI is now a 100% owned subsidiary of Julius Berger Nigeria Plc. Julius Berger Free Zone Enterprise is a 100% owned subsidiary of the Company and has been granted licence to operate in various free trade zones in Nigeria.

2. Basis of preparation of financial statements

These financial statements are the unaudited interim results (hereafter "the Interim Financial Statements") of Julius Berger Nigeria Plc for the third Quarter ended September 30, 2019 (hereafter "the interim period"). They are prepared in accordance with International Accounting Standard 34 (IAS 34), Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the audited Financial Statements for the year ended December 31, 2018 prepared under IFRS (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, comparative information has been reclassified or expanded from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

2.1 New standards, interpretations and amendments effective 1st January 2019

The effect of the initial application of an IFRS on the entity's accounting policies

The following new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2019:

IFRS 16 on Leases mandatorily effective for periods beginning on or after 1 January 2019.

IFRS 16 Leases

The group has identified that the adoption IFRS 16, which replaces IAS 17 Leases from 1 January 2019, will impact its consolidated financial statements in three key areas as follows:

- 2.1.1 The group will need to recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- 2.1.2 The group have to recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- 2.1.2 The group will have to separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

General impact of application of IFRS 16 Leases

The group has chosen the cumulative catch-up (measuring assets at an amount equal to liability) application of IFRS 16. Consequently, the group will not opt for the restatement of the comparative information. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The entity will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019, (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the group.

3. Segmental Analysis of Continuing operations

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

Disaggregation of revenue

| | Government | | Private | | Total Reportable Segments | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|--------------------|-------------------|--------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | | 2018 | |
| | 3 months | 3 months | 3 months | 3 months | 3 months | 9 months | 3 months | 9 months |
| | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep | Jan - Sep | Jul - Sep | Jan - Sep |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Primary geographical markets | | | | | | | | |
| Nigeria | 46,319,751 | 34,761,739 | 12,619,325 | 8,993,076 | 58,939,076 | 186,167,959 | 43,754,814 | 114,207,497 |
| Europe & Asia | - | - | 1,549,405 | 1,640,179 | 1,549,405 | 6,103,542 | 1,640,179 | 4,265,000 |
| | 46,319,751 | 34,761,739 | 14,168,730 | 10,633,254 | 60,488,481 | 192,271,501 | 45,394,993 | 118,472,497 |
| Major product/services lines | | | | | | | | |
| Civil works | 26,402,258 | 19,814,191 | 8,076,176 | 6,060,955 | 34,478,434 | 100,683,344 | 25,875,146 | 62,038,353 |
| Building works | 15,748,715 | 11,818,991 | 4,817,368 | 3,615,307 | 20,566,083 | 81,439,520 | 15,434,298 | 50,180,829 |
| Services | 4,168,778 | 3,128,556 | 1,275,186 | 956,993 | 5,443,963 | 10,148,636 | 4,085,549 | 6,253,315 |
| | 46,319,751 | 34,761,739 | 14,168,730 | 10,633,254 | 60,488,481 | 192,271,501 | 45,394,993 | 118,472,497 |
| Timing of revenue recognition | | | | | | | | |
| At a point in time | 680,824 | 1,046,212 | 2,916,724 | 320,025 | 3,597,548 | 10,173,484 | 1,366,237 | 4,141,050 |
| Over time | 45,638,927 | 33,715,527 | 11,252,006 | 10,313,229 | 56,890,933 | 182,098,016 | 44,028,756 | 114,331,447 |
| | 46,319,751 | 34,761,739 | 14,168,730 | 10,633,254 | 60,488,481 | 192,271,501 | 45,394,993 | 118,472,497 |

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Disaggregation of Profit/(Loss)

| | Government | | Private | | Total Reportable Segments | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | | 2018 | |
| | 3 months Jul - Sep | 3 months Jul - Sep | 3 months Jul - Sep | 3 months Jul - Sep | 3 months Jul - Sep | 9 months Jan - Sep | 3 months Jul - Sep | 9 months Jan - Sep |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Major product/services lines | | | | | | | | |
| Civil works | 2,117,461 | 821,874 | 647,709 | 251,403 | 2,765,170 | 6,553,441 | 1,073,276 | 4,458,986 |
| Building works | 1,263,047 | 490,240 | 386,353 | 149,959 | 1,649,399 | 5,300,868 | 640,200 | 3,606,730 |
| Services | 334,336 | 129,770 | 102,270 | 39,695 | 436,606 | 660,571 | 169,465 | 449,455 |
| | 3,714,843 | 1,441,883 | 1,136,332 | 441,057 | 4,851,175 | 12,514,880 | 1,882,940 | 8,515,171 |
| Foreign exchange acquisition loss | - | 27,567 | - | 8,433 | - | - | 36,000 | (91,215) |
| Investment Income | - | - | 343,281 | 1,087,669 | 343,281 | 1,151,690 | 441,975 | 1,087,669 |
| Net financing (costs)/income | (1,724,843) | (945,613) | (527,611) | (289,253) | (2,252,454) | (6,163,180) | (1,234,867) | (4,455,638) |
| Profit before income tax | 1,990,000 | 523,837 | 952,002 | 1,247,905 | 2,942,002 | 7,503,390 | 1,126,048 | 5,055,986 |

4. Other gains and losses

Profit from sales of PPE
Foreign exchange gains/(losses)

| | 2019 | | 2018 | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 3 months Jul - Sep | 9 months Jan - Sep | 3 months Jul - Sep | 9 months Jan - Sep |
| | N'000 | N'000 | N'000 | N'000 |
| Profit from sales of PPE | 78,461 | 528,891 | 323,568 | 407,365 |
| Foreign exchange gains/(losses) | 672,266 | 320,668 | (1,892,341) | 4,440,330 |
| | 750,726 | 849,559 | (1,568,774) | 4,847,695 |

5. Investment income

Other interest income

| | 2019 | | 2018 | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 3 months Jul - Sep | 9 months Jan - Sep | 3 months Jul - Sep | 9 months Jan - Sep |
| | N'000 | N'000 | N'000 | N'000 |
| Other interest income | 343,281 | 1,151,690 | 530,177 | 645,694 |
| | 343,281 | 1,151,690 | 530,177 | 645,694 |

6. Finance costs

Bank Commission
Guaranty and Financing Cost
Interest on overdraft
Interest on loan
Other finance charges

| | 2019 | | 2018 | |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 3 months Jul - Sep | 9 months Jan - Sep | 3 months Jul - Sep | 9 months Jan - Sep |
| | N'000 | N'000 | N'000 | N'000 |
| Bank Commission | (36,321) | (71,897) | - | (198,953) |
| Guaranty and Financing Cost | (2,822) | (7,066) | - | (327,569) |
| Interest on overdraft | (1,534,927) | (4,219,278) | (796,593) | (1,994,308) |
| Interest on loan | (637,589) | (1,748,466) | (594,672) | (669,776) |
| Other finance charges | (40,795) | (116,473) | 471,809 | (30,185) |
| | (2,252,454) | (6,163,180) | (919,457) | (3,220,772) |

7. Property Plant and Equipment

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

Property, plant and equipment owned
Right-of-use assets, except for investment property
Balance at 30 September 2019

| | 2019 | 2018 |
|-----------------------------------------------------|-------------------|----------|
| | N'000 | N'000 |
| Property, plant and equipment owned | 42,308,495 | - |
| Right-of-use assets, except for investment property | 6,801,687 | - |
| Balance at 30 September 2019 | 49,110,182 | - |

The Group leases many assets including buildings, vehicles, machinery and equipment. Information about leases for which the Group is a lessee is presented below.

7.1 Right-of-use assets

Cost

Balance at 1 January 2018
Additions
Balance at 1 January 2019
Additions
Balance at 30 September 2019

Accumulated amortisation:

Balance at 1 January 2018
Charge for the year
Balance at 1 January 2019
Charge for the year
Balance at 30 September 2019

Carrying Value at 30 September 2019

| | Plant & machinery | | |
|--------------------------------------------|-------------------|-----------------|------------------|
| | Buildings | | Total |
| | N'000 | N'000 | N'000 |
| Balance at 1 January 2018 | - | - | - |
| Additions | - | - | - |
| Balance at 1 January 2019 | 6,909,225 | 523,615 | 7,432,840 |
| Additions | - | - | - |
| Balance at 30 September 2019 | 6,909,225 | 523,615 | 7,432,840 |
| Balance at 1 January 2018 | - | - | - |
| Charge for the year | - | - | - |
| Balance at 1 January 2019 | - | - | - |
| Charge for the year | (874,777) | (71,953) | (946,730) |
| Balance at 30 September 2019 | (583,185) | (47,969) | (631,153) |
| Carrying Value at 30 September 2019 | 6,326,041 | 475,646 | 6,801,687 |

7.2 Lease liabilities

Maturity analysis - contractual undiscounted cash flows:

Less than one year
One to five years
More than Five Years

Total undiscounted lease liabilities at 31 December

| | 2019 | 2018 |
|------------------------------------------------------------|-------------------|----------|
| | N'000 | N'000 |
| Less than one year | 1,698,842 | - |
| One to five years | 7,021,167 | - |
| More than Five Years | 5,347,247 | - |
| Total undiscounted lease liabilities at 31 December | 14,067,257 | - |

7.2 Lease liabilities (Continued)

Lease liabilities included in the statement of financial position at 30 September 2019

Lease Liabilities as at 01.01.2019
 Armotisation to 30.09.2019

Current
 Non-current

Total Lease liabilities recognised in the statement of financial position at 30 September 2019

| 2019 | 2018 |
|------------------|----------|
| N'000 | N'000 |
| 7,432,840 | - |
| (583,516) | - |
| 6,849,324 | |
| 778,022 | - |
| 6,071,302 | - |
| 6,849,324 | - |

Amounts recognised in profit or loss

Expense on discounting of lease liabilities
 Amortisation of right-of-use assets
 Variable lease payments not included in the measurement of lease liabilities

| 2019 | 2018 |
|---------|-------|
| N'000 | N'000 |
| 690,616 | - |
| 631,153 | - |
| - | - |

Amounts recognised in the statement of cash flows

Total cash outflow for leases

| 2019 | 2018 |
|------------------|----------|
| N'000 | N'000 |
| 1,274,132 | - |

8. Trade and other payables

8.1 Current

Trade Payable
 Lease liabilities

Total current trade and other payables recognised in the statement of financial position

| 2019 | 2018 |
|-------------------|----------|
| N'000 | N'000 |
| 43,587,168 | - |
| 778,022 | - |
| 44,365,190 | - |

8.1 Non-Current

Trade Payable
 Lease liabilities

Total non-current trade and other payables recognised in the statement of financial position

| 2019 | 2018 |
|------------------|----------|
| N'000 | N'000 |
| 2,984,873 | - |
| 6,071,302 | - |
| 9,056,175 | - |

9. Tax receivable

Amounts expected to be recovered within one year
 Amounts expected to be recovered after more than one year

| 2019 | 2018 |
|-------------------|-------------------|
| N'000 | N'000 |
| 1,815,634 | 1,077,389 |
| 26,187,801 | 18,376,110 |
| 28,003,434 | 19,453,499 |

This represents withholding and value added taxes recoverable from clients and the Federal Inland Revenue Service.

10. Risk Management

The Group is exposed through its operations to the following financial risks:

- Ø Credit risk
- Ø Fair value or cash flow interest rate risk
- Ø Foreign exchange risk
- Ø Market price risk, and
- Ø Liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

11. Transaction Price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

| | 2020 N'000 | 2021 N'000 | Total N'000 |
|----------------|--------------------|--------------------|--------------------|
| Civil Works | 171,755,000 | 171,755,000 | 343,510,000 |
| Building Works | 87,431,000 | 97,431,000 | 184,862,000 |
| Services | 20,814,000 | 20,814,000 | 41,628,000 |
| Total | 280,000,000 | 290,000,000 | 570,000,000 |

All contracts with customers has been considered in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Management expect that incremental fees to intermediaries as a result of obtaining contracts with customers are receivables. There were no incremental fees recognised in the period to 30 September 2019.

12. Changes in accounting policies.

Except for the change below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has adopted IFRS 16 on Leases with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy by recognising right-of-use assets and lease liabilities in the statement of financial position as detailed below.

The Group has assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

12.1 Lease Liability Measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the entity uses its incremental borrowing rate.

12.2 Right-Of-Use Assets Measurement

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are presented as a separate line in the statement of financial position. The entity applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

12.3 Impacts on financial statements

The following tables summarise the impacts of adopting IFRS 16 on the Group's consolidated financial statements for the third quarter ending 30 September 2019.

| CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019 <i>Impact of changes in accounting policies</i> | Without adoption of | | With adoption of |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------|----------------------|
| | IFRS 16 N'000 | Adjustments N'000 | IFRS 16 N'000 |
| Right-of-use Assets | - | 6,486,110 | 6,486,110 |
| Trade and other receivables | 192,577,661 | - | 192,577,661 |
| Tax receivable | 28,003,434 | - | 28,003,434 |
| Deferred tax assets | 2,601,853 | - | 2,601,853 |
| Contract Assets | 1,200,000 | - | 1,200,000 |
| Others | 99,866,515 | - | 99,866,515 |
| Total Assets | 324,249,463 | 6,486,110 | 330,735,573 |
| Deferred tax liabilities | (7,735,532) | - | (7,735,532) |
| Contract Liabilities | (117,516) | - | (117,516) |
| Lease Liabilities | - | (6,849,324) | (6,849,324) |
| Trade and other payables | (224,972,174) | - | (224,972,174) |
| Current tax payable | (1,858,261) | - | (1,858,261) |
| Others | (50,005,004) | - | (50,005,004) |
| Total Liabilities | (284,688,486) | (6,849,324) | (291,537,810) |
| Retained earnings | (27,159,089) | - | (27,159,089) |
| Impact of IFRS 16 on equity | - | 363,214 | 363,214 |
| Non-controlling interest | (58,285) | - | (58,285) |
| Others | (12,343,603) | - | (12,343,603) |
| Total Equity | (39,560,977) | 363,214 | (39,197,763) |

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Directors: Mr. M. Sunmonu, CON, Chairman • Mr. G. Marks, Vice Chairman (German) • Engr. Dr. L. Richter, Managing Director (German)
Mr. M. Brack, Financial Director (German) • Alh. Z. I. Bayi, Director Administration • Mr. T. Meletschus, Director Corporate Development (German) • HRH Igwe P.N. Anugwu, JP, OFR
Dr. E.N. Azudialu-Obiejiesi • Engr. J. Damulak • Mrs. B. A. Disu • Engr. G. M. Sheikh • Engr. H. Stockhausen (German) • Mrs. G. O. Talabi

13. Retirement benefit liabilities

Obligations under defined benefit plans are calculated separately for each plan by estimating the benefit amount that employees have earned in return for their service in the current and prior periods which represent employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement. Management has decided to settle the obligations and it is probable that the amounts due will be paid. Consequently this had been incorporated in the preparation of these interim financial statements.

14. Related party transactions

The Company entered into various transactions with related parties ranging from purchase of goods or services, to expenses incurred by the related party on behalf of the Company. Related parties to the Company are as listed:

- Abumet (Nigeria) Limited: Subsidiary Company in which Julius Berger Nigeria PLC owns 90% stake.
- Julius Berger Services Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Medical Services Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger International GmbH: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Investments: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Primetech Design and Engineering Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Free Zone Enterprise: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been completed at arms length.

In accordance with the requirement of IAS 24 on related parties, the following directors are the key management personnel of the Company.

- | | |
|------------------------------------------|----------------------------------------------|
| - Mr. Mutiu Sunmonu, CON | - Chairman |
| - Mr. George Marks (German) | - Vice Chairman |
| - Engr. Dr. Lars. Richter (German) | - Managing Director (Executive) |
| - Martin Brack (German) | - Financial Director (Executive) |
| - Alhaji Zubairu Ibrahim Bayi | - Director Administration (Executive) |
| - Mr. Tobias. Meletschus (German) | - Director Corporate Development (Executive) |
| - HRH Igwe Peter Nwokike Anugwu, JP, OFR | - Independent Director |
| - Engr. Heinz Stockhausen (German) | - Director |
| - Engr. Jafaru Damulak | - Director |
| - Dr. Ernest Nnaemeka Azudialu-Obiejesi | - Director |
| - Mrs Belinda Ajoke Disu | - Director |
| - Mrs Gladys Olubusola Talabi | - Director |
| - Engr. Goni Musa Sheikh * | - Director |

Key: * Appointed to the Board with effect from July 1, 2019.

Except for the short term benefits to include fees and other remunerations for Directors, there were no other transaction with the key management personnel.

15. Significant events

In the current financial year, the Company continued to have difficulties in converting receivables to cash or cash equivalent as result of delayed payments by some clients which invariably translated into slow performances on some project sites. However, costs have been managed in the same magnitude to ensure that profitability is achieved.

16. Comparative figures

Certain prior year balances have been reclassified to conform with current year's presentation for a more meaningful comparison.

17. Events after the reporting period

Except as disclosed above, there were no other material events after the reporting period which could have had material effect on the state of affairs of the Company as at September 30, 2019 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.