



**CONSOLIDATED UNAUDITED FINANCIAL
STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER, 2019**

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2019**

SUMMARY

	4th Quarter	Year to date
	N'000	N'000
Turnover	<u>72.285.862</u>	<u>264.557.363</u>
Profit before tax	7.381.763	14.684.932
Taxation	<u>(2.190.139)</u>	<u>(4.380.741)</u>
Profit/(loss) after tax	<u>5.191.624</u>	<u>10.304.191</u>

BY ORDER OF THE BOARD

**MRS. CECILIA MADUEKE
COMPANY SECRETARY**

Jan 23, 2020

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2019**

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**CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2019**

					AUDITED
					31/12/2018
		2019		2018	
		3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
Note		N'000	N'000	N'000	N'000
Revenue		72.285.862	264.557.363	74.778.833	193.251.330
Cost of sales		(53.128.034)	(203.884.492)	(52.347.934)	(146.457.690)
Gross profit		19.157.828	60.672.871	22.430.899	46.793.640
Other gains and losses	4	(2.733.408)	(1.883.849)	(36.242)	3.523.202
Marketing expenses		16.424.420	58.789.022	22.394.657	50.316.842
Administrative expenses		(65.302)	(168.320)	(6.483)	(80.844)
Impairment loss on trade and tax receivables		(5.470.477)	(35.317.292)	(16.462.249)	(35.794.901)
		(2.621.431)	(2.721.542)	-	-
<i>Operating profit</i>		<i>8.267.210</i>	<i>20.581.869</i>	<i>5.925.926</i>	<i>14.441.096</i>
Investment Income	5	(518.882)	632.808	(426.609)	661.060
Foreign exchange acquisition loss		-	-	-	(91.215)
Finance costs	6	(366.566)	(6.529.746)	(634.729)	(5.090.367)
Profit/(loss) before tax		7.381.763	14.684.932	4.864.587	9.920.574
Income tax expenses		(2.190.139)	(4.380.741)	(2.510.973)	(3.846.878)
Profit/(loss) after taxation		5.191.624	10.304.191	2.353.615	6.073.695
Profit/(loss) for the year		5.191.624	10.304.191	2.353.615	6.073.695
Other comprehensive Income for the year:					
Actuarial gains on retirement benefits		(519.849)	(358.174)	215.567	215.567
Related tax		155.955	107.452	(68.981)	(68.981)
		(363.894)	(250.722)	146.586	146.586
Exchange difference on translation of foreign operations		(486.646)	510.589	301.209	1.447.048
Total comprehensive income		4.341.084	10.564.059	2.947.995	7.813.914
Attributable to:					
Owners of the Company		4.342.212	10.560.510	2.946.359	7.811.733
Non-controlling interests		(1.127)	3.549	1.636	2.181
		4.341.084	10.564.059	2.947.995	7.813.914
Earnings per share (Naira)		3,29	8,00	2,23	5,92
Diluted earnings per share		3,29	8,00	2,23	5,92

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 FOURTH QUARTER ENDED DECEMBER 31, 2019**

		2019	2018	AUDITED
		12 months	12 months	
		Jan - Dec	Jan - Dec	2018
		N'000	N'000	N'000
NON- CURRENT ASSETS				
Property, plant and equipment	7	57.745.091	42.927.327	41.342.451
Goodwill		9.268.643	9.560.562	9.434.576
Other intangible assets		-	692	-
Investment property		2.161.287	2.260.012	2.260.012
Other financial assets		2.048.546	-	2.045.682
Trade and other receivables		59.300.734	61.852.300	61.346.789
Tax receivable	9	27.017.376	21.633.809	17.211.734
Deferred tax assets		2.830.126	2.516.800	2.577.821
Total noncurrent assets		160.371.803	140.751.503	136.219.065
CURRENT ASSETS				
Inventories		19.520.759	16.330.624	13.465.981
Trade and other receivables		108.917.906	119.706.888	101.484.352
Current tax receivable	9	3.177.647	2.724.547	2.571.549
Contract asset		2.601.462	-	10.483.108
Non- current assets classified as held for sale		23.250	208.632	210.227
Cash and bank balances		33.711.619	16.822.062	23.995.718
Total current assets		167.952.643	155.792.753	152.210.935
CURRENT LIABILITIES				
Contract liabilities		(181.926)	-	(158.102)
Trade and other payables	8	(52.838.343)	(61.062.123)	(47.921.155)
Bank overdraft & loan		(5.942.412)	(24.775.566)	(25.461.844)
Current tax payable		(3.021.166)	(3.059.585)	(2.477.145)
Retirement benefit liabilities	13	(179.010)	(147.146)	(140.290)
Total current liabilities		(62.162.856)	(89.044.420)	(76.158.536)
Net current assets/(liabilities)		105.789.787	66.748.333	76.052.398
TOTAL ASSETS LESS CURRENT LIABILITIES		266.161.590	207.499.835	212.271.463
NON- CURRENT LIABILITIES				
Long term loan		(9.092.469)	-	-
Retirement benefit liabilities	13	(4.444.130)	(3.033.415)	(3.045.094)
Deferred tax liabilities		(8.000.924)	(7.112.987)	(7.546.216)
Contract Liabilities		(178.855.041)	(154.789.984)	(160.609.800)
Trade and other payables	8	(21.983.945)	(5.674.978)	(4.578.295)
Provisions		(447.583)	(800.000)	(1.074.169)
NET ASSETS		43.337.497	36.088.471	35.417.890
EQUITY				
Share capital		660.000	660.000	660.000
Share premium		425.440	425.440	425.440
Foreign currency translation reserve		10.771.516	10.955.446	10.260.927
Retained earnings		31.423.383	23.990.325	24.009.914
Attributable to owners of the company		43.280.339	36.031.210	35.356.281
Non-controlling interest		57.158	57.260	61.609
		43.337.497	36.088.471	35.417.890

These interim financial statements were approved by the Board on Jan 23, 2020 and signed on its behalf by:

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

MARTIN BRACK
FRC/2014/ANAN/00000006481
FINANCIAL DIRECTOR



**STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 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	-	-	-	10.304.191	10.304.191	3.549	10.307.740
Other comprehensive income(net of tax)	-	-	510.589	(250.722)	259.868	-	259.868
Total comprehensive income for the year	-	-	510.589	10.053.469	10.564.059	3.549	10.567.607
Dividends to shareholders	-	-	-	(2.640.000)	(2.640.000)	(8.000)	(2.648.000)
Balance at 31 December 2019	660.000	425.440	10.771.516	31.423.383	43.280.339	57.158	43.337.497
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	-	-	-	(356.970)	(356.970)	-	(356.970)
Adjusted balance at 1 January 2018	660.000	425.440	9.508.398	19.090.044	29.683.882	55.079	29.738.961
Profit for the year	-	-	-	6.073.695	6.073.695	2.181	6.075.877
Other comprehensive income(net of tax)	-	-	1.447.048	146.586	1.593.633	-	1.593.633
Total comprehensive income for the year	-	-	1.447.048	6.220.281	7.667.328	2.181	7.669.510
Dividends to shareholders	-	-	-	(1.320.000)	(1.320.000)	-	(1.320.000)
Balance at 31 December 2018	660.000	425.440	10.955.446	23.990.325	36.031.210	57.260	36.088.471

**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2019**

Cashflows from operating activities

Cash receipts from customers

Cash paid to suppliers and employees

Cash flows (used in)/provided by operating activities

Interest paid

Purchase of FOREX loss

Tax paid

Net cash used in operating activities

Cashflows from investing activities:

Interest received

Proceeds from sale of fixed assets

Purchase of fixed assets

Net cash provided by investing activities:

Cashflows from financing activities:

Loan received

Payment of Lease Liabilities

Dividend paid

Net cash used in financing activities:

Net increase in cash and cash equivalents

Cash and cash equivalent at 1st January 2019

Cash and cash equivalent at 31st December 2019

Cash and bank balances

Bank overdrafts

	2019	2018
	12 months	12 months
	Jan - Dec	Jan - Dec
	N'000	N'000
	293.267.933	246.550.500
	(246.125.529)	(247.027.392)
	47.142.403	(476.892)
	(6.529.746)	(5.090.367)
	-	(91.215)
	(673.475)	(43.842)
	39.939.182	(5.702.316)
	633.161	661.060
	536.097	1.141.990
	(7.526.266)	(6.727.059)
	(6.357.007)	(4.924.010)
	-	-
	(1.698.842)	-
	(2.648.000)	(1.320.000)
	(4.346.842)	(1.320.000)
	29.235.333	(11.946.326)
	(1.466.126)	3.992.822
	27.769.207	(7.953.504)
	33.711.619	16.822.062
	(5.942.412)	(24.775.566)
	27.769.207	(7.953.504)

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 Fourth Quarter ended December 31, 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 Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Primary geographical markets								
Nigeria	43,269.475	44,761.739	26,106.878	27,376.916	69,376.353	260,003.226	72,138.655	188,986.331
Europe & Asia	-	-	2,909.509	2,640.179	2,909.509	4,554.137	2,640.179	4,265.000
	43,269.475	44,761.739	29,016.387	30,017.095	72,285.862	264,557.363	74,778.833	193,251.330
Major product/services lines								
Civil works	24,663.601	25,514.191	16,539.341	17,109.744	41,202.942	150,797.697	42,623.935	110,153.258
Building works	14,711.622	15,218.991	9,865.572	10,205.812	24,577.193	89,949.504	25,424.803	65,705.452
Services	3,894.253	4,028.556	2,611.475	2,701.539	6,505.728	23,810.163	6,730.095	17,392.620
	43,269.475	44,761.739	29,016.387	30,017.095	72,285.862	264,557.363	74,778.833	193,251.330
Timing of revenue recognition								
At a point in time	680.824	1,046.212	3,147.681	320.025	1,366.237	4,141.050	1,366.237	4,141.050
Over time	42,588.651	43,715.527	25,868.707	29,697.070	70,919.625	260,416.313	73,412.596	189,110.280
	43,269.475	44,761.739	29,016.387	30,017.095	72,285.862	264,557.363	74,778.833	193,251.330

Disaggregation of Profit/(Loss)

	Government		Private		Total Reportable Segments			
	2019	2018	2019	2018	2019		2018	
	3 months Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Major product/services lines								
Civil works	2.820.734	2.021.898	1.891.576	1.355.879	4.712.310	11.731.665	3.377.778	8.231.425
Building works	1.682.543	1.206.045	1.128.309	808.770	2.810.852	6.997.836	2.014.815	4.909.973
Services	445.379	319.247	298.670	214.086	744.049	1.852.368	533.333	1.299.699
	4.948.656	3.547.190	3.318.555	2.378.736	8.267.210	20.581.869	5.925.926	14.441.096
Foreign exchange acquisition loss	-	-	-	-	-	-	-	(91.215)
Investment Income	-	-	(518.882)	661.060	(518.882)	632.808	(426.609)	661.060
Net financing (costs)/income	(219.422)	(379.941)	(147.144)	(254.788)	(366.566)	(6.529.746)	(634.729)	(5.090.367)
Profit before income tax	4.729.234	3.167.249	2.652.529	2.785.008	7.381.763	14.684.932	4.864.587	9.920.574

4. Other gains and losses

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

	2019		2018	
	3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
	N'000	N'000	N'000	N'000
Profit from sales of PPE	134.261	663.153	608.590	1.148.538
Foreign exchange gains/(losses)	(2.867.669)	(2.547.001)	(644.832)	2.374.664
	(2.733.408)	(1.883.849)	(36.242)	3.523.202

5. Investment income

Other interest income

	2019		2018	
	3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
	N'000	N'000	N'000	N'000
Other interest income	(518.882)	632.808	(426.609)	661.060
	(518.882)	632.808	(426.609)	661.060

6. Finance costs

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

	2019		2018	
	3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
	N'000	N'000	N'000	N'000
Bank Commission	(26.842)	(98.738)	11.519	225.541
Guaranty and Financing Cost	(5.346)	(12.413)	40.640	89.958
Interest on overdraft	(420.221)	(4.639.499)	383.072	3.188.060
Interest on loan	(30.630)	(1.779.096)	163.567	1.517.517
Other finance charges	116.473	-	-	-
	(366.566)	(6.529.746)	634.729	5.090.367

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 31 December 2019

	2019	2018
	N'000	N'000
Property, plant and equipment owned	41.832.111	-
Right-of-use assets, except for investment property	15.912.980	-
Balance at 31 December 2019	57.745.091	-

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 31 December 2019

	Plant & machinery		
	Buildings		Total
	N'000	N'000	N'000
Balance at 1 January 2018	-	-	-
Additions	-	-	-
Balance at 1 January 2019	16.336.095	523.615	16.859.710
Additions	-	-	-
Balance at 31 December 2019	16.336.095	523.615	16.859.710
Accumulated amortisation:			
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 31 December 2019	(874.777)	(71.953)	(946.730)
Carrying Value at 31 December 2019	15.461.318	451.662	15.912.980

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

Amortisation to 31.12.2019

Current

Non-current

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

2019	2018
N'000	N'000
15.289.734	-
(634.010)	-
14.655.724	-
1.698.842	-
12.956.881	-
14.655.724	-

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
1.115.326	-
946.730	-
-	-

Amounts recognised in the statement of cash flows

Total cash outflow for leases

2019	2018
N'000	N'000
1.698.842	-

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
51.139.500	-
1.698.842	-
52.838.343	-

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
9.027.064	-
12.956.881	-
21.983.945	-

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
3.177.647	2.724.547
27.017.376	21.633.809
30.195.023	24.358.356

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	2021	Total
	N'000	N'000	N'000
Civil Works	155.600.000	157.000.000	312.600.000
Building Works	85.800.000	88.000.000	173.800.000
Services	34.200.000	35.000.000	69.200.000
Total	275.600.000	280.000.000	555.600.000

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 31 December 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

12.2 Right-of-Use Asset 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 fourth quarter ending 31 December 2019.

CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2019

Impact of changes in accounting policies

	Without adoption of IFRS 16	Adjustments	With adoption of IFRS 16
	N'000	N'000	N'000
Right-of-use Assets	-	15.276.194	15.276.194
Trade and other receivables	168.218.640	-	168.218.640
Tax receivable	30.195.023	-	30.195.023
Deferred tax assets	2.830.126	-	2.830.126
Contract Assets	2.601.462	-	2.601.462
Others	109.203.001	-	109.203.001
Total Assets	313.048.253	15.276.194	328.324.446
Deferred tax liabilities	(8.000.924)	-	(8.000.924)
Contract Liabilities	(179.036.968)	-	(179.036.968)
Lease Liabilities	-	(14.655.724)	(14.655.724)
Trade and other payables	(60.166.564)	-	(60.166.564)
Current tax payable	(3.021.166)	-	(3.021.166)
Others	(20.105.603)	-	(20.105.603)
Total Liabilities	(270.331.225)	(14.655.724)	(284.986.949)
Retained earnings	(30.802.914)	-	(30.802.914)
Impact of IFRS 16 on equity	-	(620.470)	(620.470)
Non-controlling interest	(57.158)	-	(57.158)
Others	(11.856.956)	-	(11.856.956)
Total Equity	(42.717.027)	(620.470)	(43.337.497)
	(313.048.253)	(15.276.194)	(328.324.446)

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 |
| - Mr. Ernest C. Ebi, MFR, FCIB *** | - Independent Director |
| - Mr. Karsten Hensel (German) *** | - Director |

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

Key: ** Resigned from the Board with effect from December 6, 2019.

Key: *** Appointed to the Board with effect from December 7, 2019.

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 December 31, 2019 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.