



**CONSOLIDATED UNAUDITED FINANCIAL  
STATEMENTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER, 2020**

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2020**

**SUMMARY**

	<b>3rd Quarter</b>	<b>Year to date</b>
	<b>N'000</b>	<b>N'000</b>
Turnover	<u>66.363.167</u>	<u>168.418.602</u>
Profit/(loss) before tax	551.173	(996.490)
Taxation	<u>(601.724)</u>	<u>(985.136)</u>
Profit/(loss) after tax	<u><b>(50.551)</b></u>	<u><b>(1.981.626)</b></u>

**BY ORDER OF THE BOARD**

**MRS. CECILIA MADUEKE**  
**COMPANY SECRETARY**  
FRC/2017/NBA/00000017540  
October 28, 2020

*For more information please visit [www.julius-berger.com](http://www.julius-berger.com).*



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2020**

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**CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2020**

					<b>AUDITED</b>	
		<b>2020</b>		<b>2019</b>		<b>31/12/2019</b>
		<b>3 months Jul - Sep</b>	<b>9 months Jan - Sep</b>	<b>3 months Jul - Sep</b>	<b>9 months Jan - Sep</b>	
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue		66.363.167	168.418.602	60.488.481	192.271.501	266.430.227
Cost of sales		(55.288.656)	(138.710.245)	(48.823.025)	(150.756.458)	(206.310.783)
<b>Gross profit</b>		<b>11.074.511</b>	<b>29.708.357</b>	<b>11.665.456</b>	<b>41.515.042</b>	<b>60.119.444</b>
Other gains and losses	<b>4</b>	468.503	(2.633.506)	750.726	849.559	256.636
Marketing expenses		11.543.014	27.074.852	12.416.182	42.364.601	60.376.080
Administrative expenses		(49.742)	(156.883)	(21.249)	(103.018)	(139.683)
Impairment loss on trade and tax receivables		(6.280.598)	(22.024.462)	(6.847.435)	(29.293.792)	(37.029.883)
		(793.428)	(793.428)	(143.300)	100.111	(2.965.025)
<i>Operating profit</i>		<i>4.419.246</i>	<i>4.100.079</i>	<i>5.404.198</i>	<i>13.067.903</i>	<i>20.241.489</i>
Investment Income	<b>5</b>	126.261	318.486	(209.742)	598.667	677.530
Foreign exchange acquisition loss		(3.065.333)	(3.575.164)	-	-	-
Finance costs	<b>6</b>	(929.001)	(1.839.891)	(2.252.454)	(6.163.180)	(7.000.207)
<b>Profit/(loss) before tax</b>		<b>551.173</b>	<b>(996.490)</b>	<b>2.942.002</b>	<b>7.503.390</b>	<b>13.918.812</b>
Income tax expenses		(601.724)	(985.136)	(464.089)	(2.190.602)	(5.159.277)
<b>Profit/(loss) after taxation</b>		<b>(50.551)</b>	<b>(1.981.626)</b>	<b>2.477.913</b>	<b>5.312.789</b>	<b>8.759.535</b>
Profit/(loss) for the year		(50.551)	(1.981.626)	2.477.913	5.312.789	8.759.535
<b>Other comprehensive Income for the year:</b>						
Actuarial gains on retirement benefits		44.772	(89.544)	53.892	161.675	(358.174)
Related tax		(14.327)	28.654	(16.168)	(48.503)	114.616
		30.445	(60.890)	37.724	113.173	(243.558)
Exchange difference on translation of foreign operations		1.313.468	3.345.078	300.120	997.235	(957.875)
<b>Total comprehensive income</b>		<b>1.293.362</b>	<b>1.302.563</b>	<b>2.815.757</b>	<b>6.423.197</b>	<b>7.558.102</b>
<b>Attributable to:</b>						
Owners of the Company		1.318.061	1.341.583	2.814.161	6.418.520	7.554.354
Non-controlling interests		(24.699)	(39.020)	1.597	4.676	3.748
		<b>1.293.362</b>	<b>1.302.563</b>	<b>2.815.757</b>	<b>6.423.197</b>	<b>7.558.102</b>
Earnings per share (Naira)		<b>0,83</b>	<b>0,85</b>	<b>2,13</b>	<b>4,86</b>	<b>5,72</b>
Diluted earnings per share		<b>0,83</b>	<b>0,85</b>	<b>1,78</b>	<b>4,05</b>	<b>4,77</b>

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, 2020**

		2020	2019	AUDITED
		9 months Jan - Sep	9 months Jan - Sep	2019
		N'000	N'000	N'000
<b>NON- CURRENT ASSETS</b>				
Property, plant and equipment	7	45.727.657	34.980.799	42.769.660
Right of use assets		13.438.267	13.813.806	13.457.535
Goodwill		10.228.451	9.049.377	9.268.642
Other intangible assets		2.109.178	-	2.262.821
Investment property		1.718.387	2.185.968	1.792.431
Other financial assets		2.192.812	2.045.681	2.048.547
Trade and other receivables		65.165.691	63.563.747	52.908.763
Tax receivable	9	28.863.957	26.187.801	24.400.384
Deferred tax assets		4.182.249	2.601.853	3.798.902
<b>Total noncurrent assets</b>		173.626.649	154.429.032	152.707.685
<b>CURRENT ASSETS</b>				
Inventories		21.727.613	18.567.078	19.520.759
Trade and other receivables		121.769.623	129.013.914	102.257.374
Current tax receivable	9	978.490	1.815.634	3.478.209
Contract asset		-	1.200.000	1.539.910
Non- current assets classified as held for sale		95.375	225.690	23.252
Cash and bank balances		25.523.167	25.484.226	34.133.479
<b>Total current assets</b>		170.094.269	176.306.541	160.952.983
<b>CURRENT LIABILITIES</b>				
Contract liabilities		(1.414.794)	(117.516)	(191.166)
Lease liabilities		(556.899)	-	(1.370.703)
Trade and other payables	8	(56.852.313)	(44.365.190)	(47.026.280)
Bank overdraft		(29.488.395)	(43.098.136)	(6.211.311)
Borrowings		(1.094.683)	-	(1.818.494)
Current tax payable		(1.326.230)	(1.858.261)	(3.927.454)
Retirement benefit liabilities	13	(192.674)	(174.200)	(148.450)
<b>Total current liabilities</b>		(90.925.989)	(89.613.303)	(60.693.858)
Net current assets/(liabilities)		79.168.280	86.693.239	100.259.125
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		252.794.929	241.122.271	252.966.810
<b>NON- CURRENT LIABILITIES</b>				
Borrowings		(6.869.790)	-	(7.273.975)
Retirement benefit liabilities	13	(4.716.510)	(4.792.445)	(3.334.920)
Deferred tax liabilities		(8.889.610)	(7.735.532)	(8.730.298)
Contract Liabilities		(164.074.284)	(178.400.133)	(169.930.198)
Lease liabilities		(14.246.370)	-	(13.468.417)
Trade and other payables	8	(13.992.494)	(9.056.175)	(9.027.064)
Provisions		(1.056.337)	(1.940.224)	(873.946)
<b>NET ASSETS</b>		<b>38.949.535</b>	<b>39.197.763</b>	<b>40.327.992</b>
<b>EQUITY</b>				
Share capital		792.000	660.000	660.000
Share premium		425.440	425.440	425.440
Foreign currency translation reserve		12.648.130	11.258.162	9.303.052
Retained earnings		25.067.628	26.795.875	29.882.143
Attributable to owners of the company		38.933.198	39.139.477	40.270.635
Non-controlling interest		16.337	58.285	57.357
		<b>38.949.535</b>	<b>39.197.763</b>	<b>40.327.992</b>

These interim financial statements were approved by the Board on October 28, 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 THIRD QUARTER ENDED SEPTEMBER 30, 2020**

	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
<b>Balance at 1 January 2020</b>	660.000	425.440	9.303.052	29.882.143	40.270.635	57.357	40.327.992
Impact of change in accounting policy	-	-	-	-	-	-	-
<b>Adjusted balance at 1 January 2020</b>	660.000	425.440	9.303.052	29.882.143	40.270.635	57.357	40.327.992
Script Issue	132.000	-	-	(132.000)	-	-	-
Profit for the year	-	-	-	(1.981.626)	(1.942.606)	(39.020)	(1.981.626)
Other comprehensive income( net of tax)	-	-	3.345.078	(60.890)	3.284.189	-	3.284.189
<b>Total comprehensive income for the year</b>	132.000	-	3.345.078	(2.174.515)	1.341.583	(39.020)	1.302.563
Dividends to shareholders	-	-	-	(2.640.000)	(2.640.000)	(2.000)	(2.642.000)
<b>Balance at 30 September 2020</b>	<b>792.000</b>	<b>425.440</b>	<b>12.648.130</b>	<b>25.067.628</b>	<b>38.972.218</b>	<b>16.337</b>	<b>38.988.555</b>
<b>Balance at 1 January 2019</b>	660.000	425.440	10.260.927	24.009.914	35.356.281	61.609	35.417.890
Impact of change in accounting policy	-	-	-	-	-	-	-
<b>Adjusted balance at 1 January 2019</b>	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
<b>Total comprehensive income for the year</b>	-	-	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)
<b>Balance at 30 September 2019</b>	<b>660.000</b>	<b>425.440</b>	<b>11.258.162</b>	<b>26.795.875</b>	<b>39.139.477</b>	<b>58.285</b>	<b>39.197.763</b>

**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS  
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2020**
**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 2020

Cash and cash equivalent at 30th September 2020

Cash and bank balances

Bank overdrafts

<b>2020</b>	<b>2019</b>
<b>9 months Jan - Sep</b>	<b>9 months Jan - Sep</b>
<b>N'000</b>	<b>N'000</b>
159.403.985	185.968.004
(175.705.613)	(185.956.745)
(16.301.628)	11.259
(1.443.963)	(6.163.180)
(3.575.164)	-
(480.372)	(673.475)
<b>(21.801.128)</b>	<b>(6.825.396)</b>
318.486	599.020
1.167.171	454.996
(8.055.397)	(6.454.272)
<b>(6.569.740)</b>	<b>(5.400.256)</b>
-	-
(874.727)	(1.274.132)
(2.641.800)	(2.648.000)
<b>(3.516.527)</b>	<b>(3.922.132)</b>
(31.887.396)	(16.147.784)
27.922.168	(1.466.126)
<b>(3.965.228)</b>	<b>(17.613.910)</b>
25.523.167	25.484.226
(29.488.395)	(43.098.136)
<b>(3.965.228)</b>	<b>(17.613.910)</b>

## 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 license 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, 2020 (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, 2019 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 segments. 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			
	2020	2019	2020	2019	2020		2019	
	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
<b>Primary geographical markets</b>								
Nigeria	50.818.359	46.319.751	14.549.776	12.619.325	65.368.135	165.148.707	58.939.076	186.167.959
Europe & Asia	-	-	995.032	1.549.405	995.032	3.269.895	1.549.405	6.103.542
	<b>50.818.359</b>	<b>46.319.751</b>	<b>15.544.808</b>	<b>14.168.730</b>	<b>66.363.167</b>	<b>168.418.602</b>	<b>60.488.481</b>	<b>192.271.501</b>
<b>Major product/services lines</b>								
Civil works	28.966.465	26.402.258	8.860.540	8.076.176	37.827.005	88.192.728	34.478.434	100.683.344
Building works	17.278.242	15.748.715	5.285.235	4.817.368	22.563.477	71.336.262	20.566.083	81.439.520
Services	4.573.652	4.168.778	1.399.033	1.275.186	5.972.685	8.889.612	5.443.963	10.148.636
	<b>50.818.359</b>	<b>46.319.751</b>	<b>15.544.808</b>	<b>14.168.730</b>	<b>66.363.167</b>	<b>168.418.602</b>	<b>60.488.481</b>	<b>192.271.501</b>
<b>Timing of revenue recognition</b>								
At a point in time	474.974	680.824	1.787.013	2.916.724	2.261.987	6.054.157	3.597.548	10.173.484
Over time	50.343.385	45.638.927	13.757.794	11.252.006	64.101.180	162.364.445	56.890.933	182.098.016
	<b>50.818.359</b>	<b>46.319.751</b>	<b>15.544.808</b>	<b>14.168.730</b>	<b>66.363.167</b>	<b>168.418.602</b>	<b>60.488.481</b>	<b>192.271.501</b>



**Disaggregation of Profit/(Loss)**

	Government		Private		Total Reportable Segments			
	2020	2019	2020	2019	2020		2019	
	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
<b>Major product/services lines</b>								
Civil works	1.928.930	2.358.846	590.040	721.547	2.518.970	2.147.014	3.080.393	6.843.033
Building works	1.150.590	1.407.031	351.954	430.396	1.502.544	1.736.651	1.837.427	5.535.109
Services	304.568	372.449	93.164	113.928	397.732	216.414	486.378	689.761
	3.384.088	4.138.327	1.035.157	1.265.871	4.419.246	4.100.079	5.404.198	13.067.903
Foreign exchange acquisition loss	(2.347.314)	-	(718.019)	-	(3.065.333)	(3.575.164)	-	-
Investment Income	-	-	126.261	598.667	126.261	318.486	(209.742)	598.667
Net financing (costs)/income	(711.393)	(1.724.843)	(217.608)	(527.611)	(929.001)	(1.839.891)	(2.252.454)	(6.163.180)
<b>Profit before income tax</b>	<b>325.381</b>	<b>2.413.484</b>	<b>225.792</b>	<b>1.336.927</b>	<b>551.173</b>	<b>(996.490)</b>	<b>2.942.002</b>	<b>7.503.390</b>

**4. Other gains and losses**

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

2020		2019	
3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep
N'000	N'000	N'000	N'000
833.774	1.201.970	78.461	528.891
(365.271)	(3.835.476)	672.266	320.668
<b>468.503</b>	<b>(2.633.506)</b>	<b>750.726</b>	<b>849.559</b>

**5. Investment income**

Other interest income

2020		2019	
3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep
N'000	N'000	N'000	N'000
126.261	318.486	(209.742)	598.667
<b>126.261</b>	<b>318.486</b>	<b>(209.742)</b>	<b>598.667</b>

**6. Finance costs**

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

2020		2019	
3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep
N'000	N'000	N'000	N'000
(24.673)	(53.983)	(36.321)	(71.897)
(1.737)	(3.826)	(2.822)	(7.066)
(648.555)	(1.420.484)	(1.534.927)	(4.219.278)
35.491	-	(637.589)	(1.748.466)
(289.527)	(361.597)	(40.795)	(116.473)
<b>(929.001)</b>	<b>(1.839.891)</b>	<b>(2.252.454)</b>	<b>(6.163.180)</b>

**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

2020	2019
N'000	N'000
45.727.657	34.980.799
13.438.267	13.813.806
<b>59.165.924</b>	<b>48.794.605</b>

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

**7.1 Right-of-use assets**
**Cost**

Balance at 1 January 2019  
Additions  
Balance at 1 January 2020  
Additions  
**Balance at 30 September 2020**

**Accumulated amortisation:**

Balance at 1 January 2019  
Charge for the period  
Balance at 1 January 2020  
Charge for the year  
**Balance at 30 September 2020**

**Carrying Value at 30 September 2019**

**Carrying Value at 30 September 2020**

	Plant & machinery		Total
	Buildings		
	N'000	N'000	N'000
Balance at 1 January 2019	14.236.921	523.615	14.760.536
Additions	-	-	-
Balance at 1 January 2020	14.236.921	523.615	14.760.536
Additions	993.268	-	993.268
<b>Balance at 30 September 2020</b>	<b>15.230.189</b>	<b>523.615</b>	<b>15.753.804</b>
Balance at 1 January 2019	-	-	-
Charge for the period	(874.777)	(71.953)	(946.730)
Balance at 1 January 2020	(1.379.017)	(23.984)	(1.403.001)
Charge for the year	(912.536)	-	(912.536)
<b>Balance at 30 September 2020</b>	<b>(2.291.553)</b>	<b>(23.984)</b>	<b>(2.315.537)</b>
<b>Carrying Value at 30 September 2019</b>	<b>13.362.144</b>	<b>451.662</b>	<b>13.813.806</b>
<b>Carrying Value at 30 September 2020</b>	<b>12.938.637</b>	<b>499.630</b>	<b>13.438.267</b>

**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 30 September**

2020	2019
N'000	N'000
831.248	1.253.076
8.190.312	7.344.477
12.907.135	12.555.385
<b>21.928.695</b>	<b>21.152.938</b>

**7.2 Lease liabilities (Continued)**

Lease liabilities included in the statement of financial position at 30 September 2020

Lease Liabilities as at January 1

Amortisation to September 30

Current

Non-current

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

	2020	2019
	N'000	N'000
	15.677.997	14.118.677
	(874.727)	(389.011)
	<b>14.803.269</b>	<b>13.729.666</b>
	556.899	667.526
	14.246.370	13.062.140
	<b>14.803.269</b>	<b>13.729.666</b>

**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

**Amounts recognised in the statement of cash flows**

Total cash outflow for leases

	2020	2019
	N'000	N'000
	1.053.093	460.410
	(912.536)	(946.730)
	-	-
	<b>874.727</b>	<b>849.421</b>

**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**

	2020	2019
	N'000	N'000
	56.852.313	44.365.190
	556.899	667.526
	<b>57.409.212</b>	<b>45.032.716</b>

**8.1 Non-Current**

Trade Payable

Lease liabilities

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

	2020	2019
	N'000	N'000
	13.992.494	9.056.175
	14.246.370	13.062.140
	<b>28.238.864</b>	<b>22.118.315</b>

**9. Tax receivable**

Amounts expected to be recovered within one year

Amounts expected to be recovered after more than one year

	2020	2019
	N'000	N'000
	978.490	1.815.634
	28.863.957	26.187.801
	<b>29.842.447</b>	<b>28.003.434</b>

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	118.000.000	157.000.000	275.000.000
Building Works	61.300.000	88.000.000	149.300.000
Services	26.700.000	35.000.000	61.700.000
<b>Total</b>	<b>206.000.000</b>	<b>280.000.000</b>	<b>486.000.000</b>

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 2020.

### 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 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.

### 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, Key management includes Executive Directors and members of Management Committees and the following directors serves on the Board of the Company as at 30 September 2020.

- |   |  |
|---|--|
| - 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) |
| - 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                                   |

## 15. Significant events

The whole world and therefore the whole Group is affected by the COVID-19 pandemic which started to impact on its operations as from middle of March 2020. Following Governmental regulations on COVID-19, a shutdown of business activities has been carried out between March and May 2020. After a phased and gradual easing of the lockdown, operations across all Julius Berger sites and subsidiaries have resumed. Costs for demobilization and remobilization of construction sites are included in the Cost of Sales Q3 2020. Due to persisting pandemic, the company considered expected future impacts on the basis of the following accounting standards.

### 1. Expected credit losses under IFRS 9 'Financial instruments'

COVID-19 can affect the ability of the Group to receive payments as and when due which is an indication of a significant increase in credit risk. For this, the Group reviewed its impairment assessment of trade receivables.

### 2. Impairment of tangible and intangible assets under IAS 36 'Impairment of non-financial assets'

As a result of the impact of COVID-19, the Group performed an impairment assessment of assets (in addition to the requirement to perform an impairment test at least annually of goodwill and intangible assets with an indefinite useful life).

### 3. The net realisable value of inventory under IAS 2 'Inventories'

Since the company's construction level is abnormally (temporary shutdown of construction sites), the Group has reviewed the costing of inventories to ensure that unallocated fixed overheads are recognised in profit or loss in the period in which they are incurred in accordance with IAS 2.

### 4. Deferred tax assets in accordance with IAS 12 'Income taxes'

Tax considerations, e.g. the impact of a reduced flow of goods and services on transfer pricing agreements; recoverability of deferred tax assets, emergency economic stimulus by tax authorities in the form of special tax rebate has been assessed by the Group.

As a result of the performed assessments mentioned above, the Company has included into the Statement of Comprehensive Income an additional impairment of financial assets in the amount of Naira 793 million.

The company faced difficulties in Q3 2020 in converting receivables to cash or cash equivalents as a result of delayed client payments. However, the Board of Directors is taking all necessary steps to ensure business continuity for the Group and to protect its turnover, results and cash-flow as much as against the impacts from the COVID-19 pandemic and its impact on the Nigerian economy.

## Diversification

At the meeting held on September 22, 2020, the Board of Directors has approved a diversification opportunity for the company within the agro-processing sector. The Board of Directors and the Executive Management strongly believes that this diversification direction will support the continued success of the Group in the future and align with the strategic objective of the Government to stimulate value creation in Nigeria.

## 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, 2020 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.

## 18. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Julius Berger Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

## 19. Script Issue

Resolved and declared at the 50th Annual General Meeting, the capitalisation of the sum of Naira 132 million (one hundred and thirty-two million Naira) from the retained earnings has been distributed as fully paid-up ordinary shares to the existing shareholders, whose names appeared in the register of members as at the close of business on May 29, 2020 in the proportion of one new ordinary share for every five existing ordinary shares held by them.

## 20. Matters relating to shares and shareholding

The authorised share capital of the Company is ₦800 million made up of 1.6 billion ordinary shares of 50 Kobo each. The issued and paid-up share capital of the Company currently is ₦792 million made up of 1.584 billion ordinary shares of 50 Kobo each.

### 20.1. Shareholding Pattern as at 30 September, 2020

Shareholder	Shareholding	% shareholding
Goldstone Estates Ltd.	314.714.495	19,87
NeptuneHill Company Limited	261.360.000	16,50
Watertown Energy Ltd.	158.400.000	10,00
Ibible Holdings Ltd.	87.120.000	5,50
Benue Investment and Property Company Ltd.	79.565.730	5,02
Other Shareholders including Governments	682.839.775	43,11
Total	1.584.000.000	100

### 20.2. Compliance with Free Float

Julius Berger as at 30 September, 2020 is compliant with the Free float requirement for the Main Board of the Nigerian Stock Exchange