



**CONSOLIDATED UNAUDITED FINANCIAL
STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER, 2020**

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, 2020**

SUMMARY

	4th Quarter	Year to date
	N'000	N'000
Turnover	<u>74,040,300</u>	<u>242,458,902</u>
Profit/(loss) before tax	5,119,617	4,123,127
Taxation	<u>(1,781,125)</u>	<u>(2,766,261)</u>
Profit/(loss) after tax	<u>3,338,492</u>	<u>1,356,866</u>

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
FRC/2017/NBA/00000017540
January 25, 2021

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2020**

CONTENTS	PAGE
Consolidated Unaudited Statement of Comprehensive Income	1
Consolidated Unaudited Statement of Financial Position	2
Consolidated Unaudited Statement of Changes In Equity	3
Consolidated Unaudited Statement of Cash Flows	4
Selected Footnote Disclosures	5

**CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2020**

					AUDITED
					31/12/2019
		2020		2019	
		3 months Oct - Dec	12 months Jan - Dec	3 months Oct - Dec	12 months Jan - Dec
		N'000	N'000	N'000	N'000
Revenue		74,040,300	242,458,902	72,285,862	264,557,363
Cost of sales		(60,134,084)	(198,844,329)	(53,128,034)	(203,884,492)
Gross profit		13,906,216	43,614,573	19,157,828	60,672,871
Other gains and losses	4	83,888	(2,549,618)	(2,733,408)	(1,883,849)
Marketing expenses		13,990,104	41,064,955	16,424,420	58,789,022
Administrative expenses		(121,400)	(278,283)	(65,302)	(168,320)
Impairment loss on trade and tax receivables		(7,961,973)	(29,986,435)	(5,470,477)	(35,317,292)
		1,507,206	713,778	(2,621,431)	(2,721,542)
<i>Operating profit</i>		<i>7,413,937</i>	<i>11,514,015</i>	<i>8,267,210</i>	<i>20,581,869</i>
Investment Income	5	142,787	461,273	(518,882)	632,808
Foreign exchange acquisition loss		(644,632)	(4,219,796)	-	-
Finance costs	6	(1,792,475)	(3,632,365)	(366,566)	(6,529,746)
Profit/(loss) before tax		5,119,617	4,123,127	7,381,763	14,684,932
Income tax expenses		(1,781,125)	(2,766,261)	(2,190,139)	(4,380,741)
Profit/(loss) after taxation		3,338,492	1,356,866	5,191,624	10,304,191
Profit/(loss) for the year		3,338,492	1,356,866	5,191,624	10,304,191
Other comprehensive Income for the year:					
Actuarial gains on retirement benefits		(665,981)	(755,524)	(519,849)	(358,174)
Related tax		213,114	241,768	155,955	107,452
Exchange difference on translation of foreign operations		(452,867)	(513,756)	(363,894)	(250,722)
		3,404,172	6,749,250	(486,646)	510,589
Total comprehensive income		6,289,797	7,592,360	4,341,084	10,564,059
Attributable to:					
Owners of the Company		6,245,940	7,587,522	4,342,211	10,560,510
Non-controlling interests		43,858	4,838	(1,127)	3,549
		6,289,797	7,592,360	4,341,084	10,564,059
Earnings per share (Naira)		3.94	4.79	3.29	8.00
Diluted earnings per share		3.94	4.79	2.74	6.67

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, 2020**

		2020	2019	AUDITED
		12 months Jan - Dec	12 months Jan - Dec	2019
		N'000	N'000	N'000
NON- CURRENT ASSETS				
Property, plant and equipment	7	45,391,733	42,172,951	42,769,660
Right of use assets		14,285,911	15,925,374	13,457,535
Goodwill		11,393,512	9,268,643	9,268,642
Other intangible assets		2,053,400	2,237,363	2,262,821
Investment property		1,972,907	2,161,287	1,792,431
Other financial assets		2,329,097	2,048,546	2,048,547
Trade and other receivables		64,847,570	51,202,416	52,908,763
Tax receivable	9	27,246,051	24,987,580	24,400,384
Deferred tax assets		4,659,999	2,830,126	3,798,902
Total noncurrent assets		174,180,179	152,834,286	152,707,685
CURRENT ASSETS				
Inventories		16,543,101	19,520,759	19,520,759
Trade and other receivables		107,227,432	114,778,861	102,257,374
Current tax receivable	9	3,534,337	3,177,647	3,478,209
Contract asset		-	2,601,462	1,539,910
Assets classified as held for sale		111,747	23,250	23,252
Cash and bank balances		34,727,966	33,711,619	34,133,479
Total current assets		162,144,582	173,813,598	160,952,983
CURRENT LIABILITIES				
Contract liabilities		(668,624)	(181,926)	(191,166)
Lease liabilities		(1,337,302)	(1,370,703)	(1,370,703)
Trade and other payables	8	(45,384,741)	(52,838,343)	(47,026,280)
Bank overdraft		(19,312,910)	(5,942,412)	(6,211,311)
Borrowings		(2,310,386)	-	(1,818,494)
Current tax payable		(3,347,974)	(3,021,166)	(3,927,454)
Retirement benefit liabilities	13	(342,044)	(179,010)	(148,450)
Total current liabilities		(72,703,980)	(63,533,560)	(60,693,858)
Net current assets/(liabilities)		89,440,602	110,280,038	100,259,125
TOTAL ASSETS LESS CURRENT LIABILITIES		263,620,781	263,114,324	252,966,810
NON- CURRENT LIABILITIES				
Borrowings		(5,503,437)	(9,092,469)	(7,273,975)
Retirement benefit liabilities	13	(6,157,277)	(4,444,130)	(3,334,920)
Deferred tax liabilities		(9,001,829)	(6,324,363)	(8,730,298)
Contract Liabilities		(165,123,265)	(164,199,317)	(169,930,198)
Lease liabilities		(14,433,639)	(13,285,021)	(13,468,417)
Trade and other payables	8	(17,642,897)	(21,983,945)	(9,027,064)
Provisions		(475,247)	(447,583)	(873,946)
NET ASSETS		45,283,189	43,337,497	40,327,992
EQUITY				
Share capital		792,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		16,052,302	10,771,516	9,303,052
Retained earnings		27,953,252	31,423,383	29,882,143
Attributable to owners of the company		45,222,995	43,280,339	40,270,635
Non-controlling interest		62,195	57,158	57,357
		45,285,189	43,337,497	40,327,992

These interim financial statements were approved by the Board on January 25, 2021 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, 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
Balance at 1 January 2020	660,000	425,440	9,303,052	29,882,143	40,270,635	57,357	40,327,992
Impact of change in accounting policy	-	-	-	-	-	-	-
Adjusted balance at 1 January 2020	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	-	-	-	1,356,866	1,356,866	4,838	1,361,703
Other comprehensive income (net of tax)	-	-	6,749,250	(513,756)	6,235,494	-	6,235,494
Total comprehensive income for the year	132,000	-	6,749,250	711,109	7,592,360	4,838	7,597,197
Dividends to shareholders	-	-	-	(2,640,000)	(2,640,000)	-	(2,640,000)
Balance at 31 December 2020	792,000	425,440	16,052,302	27,953,252	45,222,995	62,195	45,285,189
							-
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

**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS
FOR THE FOURTH QUARTER ENDED DECEMBER 31, 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 31st December 2020

Cash and bank balances
Bank overdrafts

	2020	2019
	12 months Jan - Dec	12 months Jan - Dec
	N'000	N'000
	256,404,384	293,267,933
	(249,172,472)	(246,125,529)
	7,231,912	47,142,403
	(3,206,750)	(6,529,746)
	(4,219,796)	-
	(498,800)	(673,475)
	(693,434)	39,939,182
	491,993	633,161
	1,489,895	536,097
	(9,789,041)	(7,526,266)
	(7,807,154)	(6,357,007)
	-	-
	(1,364,724)	(1,698,842)
	(2,641,800)	(2,648,000)
	(4,006,524)	(4,346,842)
	(12,507,112)	29,235,333
	27,922,168	(1,466,126)
	15,415,056	27,769,207
	34,727,966	33,711,619
	(19,312,910)	(5,942,412)
	15,415,056	27,769,207



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 Fourth Quarter ended December 31, 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 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	56,697,213	43,269,475	15,599,348	26,106,878	72,296,560	237,445,267	69,376,353	260,003,226
Europe & Asia	-	-	1,743,740	2,909,509	1,743,740	5,013,635	2,909,509	4,554,137
	56,697,213	43,269,475	17,343,088	29,016,387	74,040,300	242,458,902	72,285,862	264,557,363
Major product/services lines								
Civil works	42,714,298	24,663,601	13,065,860	16,539,341	55,780,158	138,201,574	41,202,942	150,797,697
Building works	8,014,917	14,711,622	2,709,239	9,865,572	10,724,155	81,594,027	24,577,193	89,949,504
Services	5,967,998	3,894,253	1,567,989	2,611,475	7,535,987	22,663,301	6,505,727	23,810,163
	56,697,213	43,269,475	17,343,088	29,016,387	74,040,300	242,458,902	72,285,862	264,557,363
Timing of revenue recognition								
At a point in time	474,974	680,824	2,535,721	3,147,681	3,010,695	7,797,898	3,828,505	4,141,050
Over time	56,222,238	42,588,651	14,807,366	25,868,706	71,029,605	234,661,005	68,457,357	260,416,313
	56,697,213	43,269,475	17,343,088	29,016,387	74,040,300	242,458,902	72,285,862	264,557,363

Disaggregation of Profit/(Loss)

	Government		Private		Total Reportable Segments			
	2020	2019	2020	2019	2020		2019	
	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	4,277,145	2,820,734	1,308,334	1,891,576	5,585,479	6,562,989	4,712,310	11,731,665
Building works	802,564	1,682,543	271,286	1,128,308	1,073,850	3,874,780	2,810,851	6,997,835
Services	597,598	445,379	157,009	298,670	754,607	1,076,247	744,049	1,852,368
	5,677,308	4,948,656	1,736,629	3,318,554	7,413,937	11,514,015	8,267,210	20,581,869
Foreign exchange acquisition loss	(493,634)	-	(150,998)	-	(644,632)	(4,219,796)	-	-
Investment Income	-	-	142,787	(518,882)	142,787	461,273	(518,882)	632,808
Net financing (costs)/income	(1,372,608)	(219,422)	(419,867)	(147,144)	(1,792,475)	(3,632,365)	(366,566)	(6,529,746)
Profit before income tax	3,811,065	4,729,234	1,308,552	2,652,529	5,119,617	4,123,127	7,381,763	14,684,932

4. Other gains and losses

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

	2020		2019	
	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	130,881	1,332,851	134,261	663,153
Foreign exchange gains/(losses)	(46,993)	(3,882,469)	(2,867,669)	(2,547,001)
	83,888	(2,549,618)	(2,733,408)	(1,883,849)

5. Investment income

Other interest income

	2020		2019	
	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	142,787	461,273	(518,882)	632,808
	142,787	461,273	(518,882)	632,808

6. Finance costs

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

	2020		2019	
	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	(40,495)	(94,478)	(26,842)	(98,738)
Guaranty and Financing Cost	(2,903)	(6,729)	(5,346)	(12,413)
Interest on overdraft	(771,314)	(2,191,798)	(420,221)	(4,639,499)
Interest on loan	(762,087)	(762,087)	(30,630)	(1,779,096)
Other finance charges	(215,676)	(577,273)	116,473	-
	(1,792,475)	(3,632,365)	(366,566)	(6,529,746)

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

	2020	2019
	N'000	N'000
Property, plant and equipment owned	45,391,733	42,172,951
Right-of-use assets, except for investment property	16,339,311	15,925,374
Balance at 31 December	61,731,044	58,098,325

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 31 December 2020

Accumulated amortisation:

Balance at 1 January 2019
Charge for the period
Balance at 1 January 2020
Charge for the year
Balance at 31 December 2020

Carrying Value at 31 December 2019

Carrying Value at 31 December 2020

	Plant & machinery		Total
	Buildings	N'000	
Balance at 1 January 2019	16,599,537	523,615	17,123,152
Additions	-	-	-
Balance at 1 January 2020	16,599,537	523,615	17,123,152
Additions	2,563,178	-	2,563,178
Balance at 31 December 2020	19,162,714	523,615	19,686,329
Balance at 1 January 2019	-	-	-
Charge for the period	(1,101,840)	(95,937)	(1,197,777)
Balance at 1 January 2020	(1,101,840)	(95,937)	(1,197,777)
Charge for the year	(2,149,241)	-	(2,149,241)
Balance at 31 December 2020	(3,251,081)	(95,937)	(3,347,019)
Carrying Value at 31 December 2019	15,497,697	427,677	15,925,374
Carrying Value at 31 December 2020	15,911,633	427,677	16,339,311

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

	2020	2019
	N'000	N'000
Less than one year	831,248	1,253,076
One to five years	8,190,312	7,344,477
More than Five Years	12,907,135	12,555,385
Total undiscounted lease liabilities at 31 December	21,928,695	21,152,938

7.2 Lease liabilities (Continued)

Lease liabilities included in the statement of financial position at 31 December 2020

 Lease Liabilities as at January 1
 Amortisation to December 31

 Current
 Non-current

Total Lease liabilities recognised in the statement of financial position at December 31

2020	2019
N'000	N'000
15,931,037	15,289,734
(160,097)	(634,010)
15,770,940	14,655,724
1,337,302	1,370,703
14,433,639	13,285,021
15,770,940	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

Amounts recognised in the statement of cash flows

Total cash outflow for leases

2020	2019
N'000	N'000
866,701	460,410
(2,149,241)	(1,197,777)
-	-
2020	2019
N'000	N'000
1,364,724	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

2020	2019
N'000	N'000
45,384,741	52,838,343
1,337,302	1,370,703
46,722,043	54,209,046

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
17,642,897	21,983,945
14,433,639	13,285,021
32,076,536	35,268,966

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
3,534,337	3,177,647
27,246,051	24,987,580
30,780,388	28,165,227

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.

	2021	2022	Total
	N'000	N'000	N'000
Civil Works	158,200,000	160,400,000	318,600,000
Building Works	79,200,000	89,000,000	168,200,000
Services	31,900,000	22,000,000	53,900,000
Diversification	2,000,000	7,600,000	9,600,000
Total	271,300,000	279,000,000	550,300,000

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 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 31 December 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 Q4 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.

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 possible 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 December 31, 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 31 December, 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
Ibile 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 31 December, 2020 is compliant with the Free float requirement for the Main Board of the Nigerian Stock Exchange