



**CONSOLIDATED UNAUDITED FINANCIAL
STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH, 2019**

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2019**

SUMMARY

	1st Quarter	Year to date
	N'000	N'000
Turnover	<u>62,924,379</u>	<u>62,924,379</u>
Profit before tax	1,239,730	1,239,730
Taxation	<u>(753,735)</u>	<u>(753,735)</u>
Profit/(loss) after tax	<u>485,995</u>	<u>485,995</u>

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
April 26, 2019

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



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2019**

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 FIRST QUARTER ENDED MARCH 31, 2019**

					AUDITED	
		2019		2018		31/12/2018
		3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	
Note		N'000	N'000	N'000	N'000	N'000
	Revenue	62,924,379	62,924,379	35,324,222	35,324,222	194,617,712
	Cost of sales	(48,976,160)	(48,976,160)	(28,222,089)	(28,222,089)	(142,609,199)
	Gross profit	13,948,220	13,948,220	7,102,132	7,102,132	52,008,513
	Other gains and losses	(246,504)	(246,504)	6,416,469	6,416,469	2,290,326
	Marketing expenses	13,701,716	13,701,716	13,518,601	13,518,601	54,298,839
	Administrative expenses	(53,496)	(53,496)	(10,946)	(10,946)	(126,806)
	Impairment loss on trade and tax receivables	(11,597,910)	(11,597,910)	(9,637,894)	(9,637,894)	(34,466,762)
		420,499	420,499	-	-	(5,326,995)
	<i>Operating profit</i>	<i>2,470,810</i>	<i>2,470,810</i>	<i>3,869,760</i>	<i>3,869,760</i>	<i>14,378,276</i>
	Investment Income	491,402	491,402	115,517	115,517	474,179
	Foreign exchange acquisition loss	-	-	-	-	(91,215)
	Finance costs	(1,722,482)	(1,722,482)	(1,774,792)	(1,774,792)	(4,563,573)
	Profit/(loss) before tax	1,239,730	1,239,730	2,210,486	2,210,486	10,197,667
	Income tax expenses	(753,735)	(753,735)	(719,037)	(719,037)	(4,095,852)
	Profit/(loss) after taxation	485,995	485,995	1,491,449	1,491,449	6,101,815
	Profit/(loss) for the year	485,995	485,995	1,491,449	1,491,449	6,101,815
	Other comprehensive Income for the year:					
	Actuarial gains on retirement benefits	53,892	53,892	-	-	215,567
	Related tax	(16,168)	(16,168)	-	-	(68,981)
	Exchange difference on translation of foreign operations	37,724	37,724	-	-	146,586
		(258,598)	(258,598)	1,457,129	1,457,129	752,529
	Total comprehensive income	265,121	265,121	2,948,578	2,948,578	7,000,929
	Attributable to:					
	Owners of the Company	257,665	257,665	2,945,507	2,945,507	6,992,399
	Non-controlling interests	7,456	7,456	3,071	3,071	8,530
		265,121	265,121	2,948,578	2,948,578	7,000,929
	Earnings per share (Naira)	0.20	0.20	2.23	2.23	5.30
	Diluted earnings per share	0.20	0.20	2.23	2.23	5.30

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

**CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED MARCH 31, 2019**

		2019	2018	AUDITED
		3 months Jan - Mar	3 months Jan - Mar	2018
		N'000	N'000	N'000
NON- CURRENT ASSETS	Notes			
Property, plant and equipment	7	50,738,654	43,589,420	41,342,451
Goodwill		9,172,757	10,045,652	9,434,576
Other intangible assets		-	1,375	-
Investment property		2,243,558	2,316,990	2,260,012
Other financial assets		2,045,681		2,045,682
Trade and other receivables		73,839,113	74,971,614	61,346,789
Tax receivable	9	20,256,701	16,013,182	17,211,734
Deferred tax assets		2,577,687	3,016,800	2,577,821
Total noncurrent assets		160,874,151	149,955,033	136,219,065
CURRENT ASSETS				
Inventories		16,126,535	12,058,033	13,465,981
Trade and other receivables		120,165,014	52,595,461	101,484,352
Current tax receivable	9	2,873,891	719,037	2,571,549
Contract asset		5,500,000		10,483,108
Non- current assets classified as held for sale		207,843	1,038,586	210,227
Cash and bank balances		16,077,888	27,560,349	23,995,718
Total current assets		160,951,171	93,971,466	152,210,935
CURRENT LIABILITIES				
Contract liabilities		(165,466)	-	(158,102)
Trade and other payables	8	(55,898,069)	(43,089,556)	(47,921,155)
Bank overdraft & loan		(44,099,285)	(35,341,248)	(25,461,844)
Current tax payable		(2,072,600)	(719,037)	(2,477,145)
Retirement benefit liabilities	13	(177,773)	(128,554)	(140,290)
Total current liabilities		(102,413,194)	(79,278,395)	(76,158,536)
Net current assets/(liabilities)		58,537,978	14,693,071	76,052,398
TOTAL ASSETS LESS CURRENT LIABILITIES		219,412,129	164,648,104	212,271,463
NON- CURRENT LIABILITIES				
Retirement benefit liabilities	13	(3,841,076)	(3,041,662)	(3,045,094)
Deferred tax liabilities		(7,521,667)	(6,460,450)	(7,546,216)
Gross amount due to customers		(157,975,482)	(117,519,135)	(160,609,800)
Trade and other payables	8	(13,316,629)	(7,580,782)	(4,578,295)
Provisions		(1,074,808)	(300,000)	(1,074,169)
NET ASSETS		35,682,467	29,746,075	35,417,890
EQUITY				
Share capital		660,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		10,002,329	10,965,527	10,260,927
Retained earnings		24,533,633	17,636,958	24,009,914
Attributable to owners of the company		35,621,402	29,687,925	35,356,281
Non-controlling interest		61,065	58,150	61,609
		35,682,467	29,746,075	35,417,890

These interim financial statements were approved by the Board on April 26, 2019 and signed on its behalf by:

DR LARS RICHTER

MANAGING DIRECTOR

MARTIN BRACK

FRC/2014/ANAN/0000006481
FINANCIAL DIRECTOR



**STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 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	-	-	-	485,995	485,995	7,456	493,451
Other comprehensive income(net of tax)	-	-	(258,598)	37,724	(220,873)	-	(220,873)
Total comprehensive income for the year	-	-	(258,598)	523,719	265,121	7,456	272,578
Dividends to shareholders	-	-	-	-	-	(8,000)	(8,000)
Balance at 31 March 2019	660,000	425,440	10,002,329	24,533,633	35,621,402	61,065	35,682,467
Balance at 1 January 2018	660,000	425,440	9,508,398	19,447,014	30,040,852	55,079	30,095,931
Impact of change in accounting policy	-	-	-	(3,301,505)	(3,301,505)	-	(3,301,505)
Adjusted balance at 1 January 2018	660,000	425,440	9,508,398	16,145,509	26,739,347	55,079	26,794,426
Profit for the year	-	-	-	1,491,449	1,491,449	3,071	1,494,520
Other comprehensive income(net of tax)	-	-	1,457,129	-	1,457,129	-	1,457,129
Total comprehensive income for the year	-	-	1,457,129	1,491,449	2,948,578	3,071	2,951,648
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 31 March 2018	660,000	425,440	10,965,527	20,938,463	32,989,430	58,150	29,746,075

**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS
FOR THE FIRST QUARTER ENDED MARCH 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 2018

Cash and cash equivalent at 31st March 2018

Cash and bank balances

Bank overdrafts

	2019	2018
	3 months Jan - Mar	3 months Jan - Mar
	N'000	N'000
	35,187,639	32,089,354
	(56,225,704)	(42,317,220)
	(21,038,064)	(10,227,866)
	(1,722,482)	(1,774,792)
	-	-
	-	-
	(22,760,546)	(12,002,658)
	491,540	115,517
	62,131	113,419
	(3,977,150)	-
	(3,423,479)	228,936
	-	-
	(363,246)	-
	(8,000)	-
	(371,246)	-
	(26,555,270)	(11,773,722)
	(1,466,127)	3,992,822
	(28,021,397)	(7,780,900)
	16,077,888	27,560,349
	(44,099,285)	(35,341,248)
	(28,021,397)	(7,780,900)

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, 2018 (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, 2017 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 2018:

IFRS 16 on Leases mandatorily effective for periods beginning on or after 1 January 2018.

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 Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Primary geographical markets								
Nigeria	46,616,568	24,687,742	14,663,183	6,857,613	61,279,751	61,279,751	31,545,355	31,545,355
Europe & Asia	-	-	1,644,628	1,778,866	1,644,628	1,644,628	1,778,866	1,778,866
	46,616,568	24,687,742	16,307,811	8,636,480	62,924,379	62,924,379	33,324,222	33,324,222
Major product/services lines								
Civil works	35,507,449	12,927,784	8,539,617	4,522,509	44,047,066	44,047,066	17,450,293	17,450,293
Building works	8,648,565	10,456,869	6,907,422	3,658,112	15,555,986	15,555,986	14,114,981	14,114,981
Services	2,460,555	1,303,089	860,773	455,858	3,321,327	3,321,327	1,758,947	1,758,947
	46,616,568	24,687,742	16,307,811	8,636,480	62,924,379	62,924,379	33,324,222	33,324,222
Timing of revenue recognition								
At a point in time	680,824	793,852	1,882,800	277,712	1,366,237	4,141,050	1,071,564	1,071,564
Over time	45,935,744	23,893,890	14,425,011	8,358,768	61,558,142	58,783,329	32,252,658	32,252,658
	46,616,568	24,687,742	16,307,811	8,636,480	62,924,379	62,924,379	33,324,222	33,324,222

Disaggregation of Profit/(Loss)

	Government		Private		Total Reportable Segments			
	2019	2018	2019	2018	2019		2018	
	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Major product/services lines								
Civil works	1,394,247	1,501,233	335,319	525,174	1,729,567	1,729,567	2,026,407	2,026,407
Building works	339,597	1,214,299	271,229	424,797	610,827	610,827	1,639,096	1,639,096
Services	96,617	151,321	33,799	52,936	130,416	130,416	204,257	204,257
	1,830,462	2,866,853	640,348	1,002,907	2,470,810	2,470,810	3,869,760	3,869,760
Foreign exchange acquisition loss	-	-	-	-	-	-	-	-
Investment Income	364,047	-	127,354	115,517	491,402	491,402	115,517	115,517
Net financing (costs)/income	(1,276,074)	(1,314,827)	(446,407)	(459,964)	(1,722,482)	(1,722,482)	(1,774,792)	(1,774,792)
Profit before income tax	918,435	1,552,026	321,295	658,460	1,239,730	1,239,730	2,210,486	2,210,486

4. Other gains and losses

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

2019		2018	
3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
N'000	N'000	N'000	N'000
10,777	10,777	83,797	83,797
(257,281)	(257,281)	6,332,671	6,332,671
(246,504)	(246,504)	6,416,469	6,416,469

5. Investment income

Other interest income

2019		2018	
3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
N'000	N'000	N'000	N'000
491,402	491,402	115,517	115,517
491,402	491,402	115,517	115,517

6. Finance costs

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

2019		2018	
3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
N'000	N'000	N'000	N'000
(12,597)	(12,597)	-	-
(2,547)	(2,547)	-	-
(1,172,371)	(1,172,371)	(1,197,714)	(1,197,714)
(492,699)	(492,699)	(501,973)	(501,973)
(42,268)	(42,268)	(75,104)	(75,104)
(1,722,482)	(1,722,482)	(1,774,792)	(1,774,792)

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 2018

2019	2018
N'000	N'000
43,829,234	-
7,117,263	-
50,946,497	-

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 March 2019

Accumulated amortisation:

Balance at 1 January 2018
Charge for the year
Balance at 1 January 2019
Charge for the year
Balance at 31 March 2019

Carrying Value at 31 March 2019

		Plant & machinery		Total
		Buildings		
		N'000	N'000	N'000
Balance at 1 January 2018		-	-	-
Additions		-	-	-
Balance at 1 January 2019		6,909,225	523,615	7,432,840
Additions		-	-	-
Balance at 31 March 2019		6,909,225	523,615	7,432,840
Balance at 1 January 2018		-	-	-
Charge for the year		-	-	-
Balance at 1 January 2019		-	-	-
Charge for the year		(291,592)	(23,984)	(315,577)
Balance at 31 March 2019		(291,592)	(23,984)	(315,577)
Carrying Value at 31 March 2019		6,617,633	499,630	7,117,263

7.2 Lease liabilities

Maturity analysis - contractual undiscounted cash flows:

Less than one year
One to five years
More than
Total undiscounted lease liabilities at 31 December

2019	2018
N'000	N'000
1,698,842	-
7,021,167	-
5,347,247	-
14,067,257	-

7.2 Lease liabilities (Continued)

Lease liabilities included in the statement of financial position at 31 March 2019

Lease Liabilities as at 01.01.2019

Amortisation to 31.03.2019

Current

Non-current

Total Lease liabilities recognised in the statement of financial position at 31 March 2019

2019	2018
N'000	N'000
7,432,840	-
(194,505)	-
7,238,335	
667,526	-
6,570,809	-
7,238,335	-

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

Income from sub-leasing right-of-use assets

Expenses relating to short-term leases

Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets

2019	2018
N'000	N'000
168,740	-
315,577	-
-	-
-	-
-	-
-	-

Amounts recognised in the statement of cash flows

Total cash outflow for leases

2019	2018
N'000	N'000
363,246	-

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
55,230,543	-
667,526	-
55,898,069	-

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
6,745,821	-
6,570,809	-
13,316,629	-

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
2,873,891	719,037
20,256,701	16,013,182
23,130,593	16,732,219

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	171,755,000	171,755,000	343,510,000
Building Works	87,431,000	97,431,000	184,862,000
Services	20,814,000	20,814,000	41,628,000
Total	280,000,000	290,000,000	570,000,000

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

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

Management expect that incremental fees to intermediaries as a result of obtaining contracts with customers are receivables. There were no incremental fees recognised in the period to 31 March 2019.

12. Changes in accounting policies.

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

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

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

12.1 Lease Liability Measurement

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

12.2 Lease Liability 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 first quarter ending 31 March 2019.

CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE FIRST QUARTER ENDED MARCH 31, 2019 <i>Impact of changes in accounting policies</i>	Without adoption		With adoption of
	of	Adjustments	IFRS 16
	IFRS 16		IFRS 16
	N'000	N'000	N'000
Right-of-use Assets	-	7,117,263	7,117,263
Trade and other receivables	194,004,127	-	194,004,127
Tax receivable	23,130,593	-	23,130,593
Deferred tax assets	2,577,687	-	2,577,687
Contract Assets	5,500,000	-	5,500,000
Others	89,495,653	-	89,495,653
Total Assets	314,708,059	7,117,263	321,825,323
Deferred tax liabilities	(7,521,667)	-	(7,521,667)
Contract Liabilities	(165,466)	-	(165,466)
Lease Liabilities	-	(7,238,335)	(7,238,335)
Trade and other payables	(219,951,846)	-	(219,951,846)
Current tax payable	(2,072,600)	-	(2,072,600)
Others	(49,192,942)	-	(49,192,942)
Total Liabilities	(278,904,521)	(7,238,335)	(286,142,856)
Retained earnings	(24,654,704)	-	(24,654,704)
Impact of IFRS 16 on equity	-	121,071	121,071
Non-controlling interest	(61,065)	-	(61,065)
Others	(11,087,769)	-	(11,087,769)
Total Equity	(35,803,539)	121,071	(35,682,467)
	(314,708,059)	(7,117,263)	(321,825,323)

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 |
| - 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 |

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

15. Significant events

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

16. Comparative figures

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

17. Events after the reporting period

Except as disclosed above, there were no other material events after the reporting period which could have had material effect on the state of affairs of the Company as at March 31, 2019 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.