



**PROJECTED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THIRD QUARTER  
ENDING 30 SEPTEMBER, 2016**

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



**PROJECTED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDING SEPTEMBER 30, 2016**

**SUMMARY**

	<b>3rd Quarter</b>	<b>Year to date</b>
	<b>N'000</b>	<b>N'000</b>
Turnover	<u>32,685,000</u>	<u>92,505,000</u>
Profit before tax	34,470	333,462
Taxation	<u>(2,285)</u>	<u>(166,731)</u>
Profit after tax	<u><b>32,185</b></u>	<u><b>166,731</b></u>

**BY ORDER OF THE BOARD**

**MRS. CECILIA MADUEKE**  
**COMPANY SECRETARY**  
JUNE 9, 2016

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



**PROJECTED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDING SEPTEMBER 30, 2016**

<b>CONTENTS</b>	<b>PAGE</b>
Projected consolidated statement of comprehensive income	1
Projected consolidated statement of financial position	2
Projected consolidated statement of changes in equity	3
Projected consolidated statement of cash flows	4
Selected footnote disclosures	5
Underlying assumptions	7

**PROJECTED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDING SEPTEMBER 30**

			<b>AUDITED</b>	
			<b>31/12/2015</b>	
		<b>2016</b>	<b>2015</b>	
		<b>3 months July - Sept</b>	<b>9 months Jan - Sept</b>	<b>3 months July - Sept</b>
<b>Note</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	32,685,000	92,505,000	35,761,455	133,807,574
Cost of sales	(24,162,063)	(70,153,942)	(27,327,892)	(100,473,106)
<b>Gross profit</b>	<b>8,522,937</b>	<b>22,351,058</b>	<b>8,433,563</b>	<b>33,334,468</b>
Other gains and losses	(100,160)	568,181	433,686	835,151
Marketing expenses	8,422,777	22,919,240	8,867,249	34,169,619
Administrative expenses	(8,842)	(39,258)	16,192	(75,140)
<i>Operating profit</i>	<i>4,434,832</i>	<i>7,897,376</i>	<i>2,573,801</i>	<i>12,648,745</i>
Net financing income/(cost)	(4,400,362)	(7,563,914)	(882,174)	(6,148,772)
<b>Profit before tax</b>	<b>34,470</b>	<b>333,462</b>	<b>1,691,627</b>	<b>6,499,973</b>
Income tax expenses	(2,285)	(166,731)	(834,564)	(4,059,833)
<b>Profit after taxation</b>	<b>32,185</b>	<b>166,731</b>	<b>857,063</b>	<b>2,440,140</b>
profit for the year	32,185	166,731	857,063	2,440,140
<b>Other comprehensive Income for the year net of taxes</b>				
Actuarial gains on retirement benefits	-	-	407,081	(180,372)
Exchange difference on translation of foreign operations	(5,069)	(125,088)	(87,541)	(499,656)
<b>Total comprehensive income</b>	<b>27,116</b>	<b>41,643</b>	<b>1,176,603</b>	<b>1,760,112</b>
<b>Attributable to:</b>				
Owners of the Company	29,066	43,468	1,153,070	1,759,887
Non-controlling interests	(1,950)	(1,825)	23,532	225
	<b>27,116</b>	<b>41,643</b>	<b>1,176,602</b>	<b>1,760,112</b>
Earnings per share (Naira)	<b>0.02</b>	<b>0.03</b>	<b>0.87</b>	<b>1.33</b>
Diluted earnings per share	<b>0.02</b>	<b>0.03</b>	<b>0.87</b>	<b>1.33</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.*

**PROJECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT THE THIRD QUARTER ENDING 30 SEPTEMBER**

		<b>AUDITED</b>		
		<b>2016</b>	<b>2015</b>	<b>31/12/2015</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>NON- CURRENT ASSETS</b>	<b>Notes</b>			
Property, plant and equipment		55,170,614	69,750,450	58,376,513
Goodwill		5,026,060	4,453,302	5,041,184
Other intangible assets		29,441	46,450	32,712
Investment property		2,513,767	2,624,037	2,546,436
Contract and trade receivables		759,710	3,477,974	844,122
Current tax receivable		20,085,697	34,545,666	21,039,915
Deferred tax assets		10,087,301	8,061,549	10,087,301
<b>Total noncurrent assets</b>		<b>93,672,590</b>	<b>122,959,428</b>	<b>97,968,183</b>
<b>CURRENT ASSETS</b>				
Inventories		8,632,011	10,246,654	11,110,116
Gross amount due from customers		34,350,020	24,901,898	27,228,427
Trade and other receivables		90,639,942	62,425,208	88,634,246
Current tax receivable		5,458,936	4,894,917	5,292,205
Non- current assets classified as held for sale		1,120,358	1,099,652	1,493,055
Cash and bank balances		10,591,039	10,159,900	13,360,038
<b>Total current assets</b>		<b>150,792,306</b>	<b>113,728,229</b>	<b>147,118,087</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(31,344,318)	(31,951,336)	(34,596,825)
Borrowings		(30,594,082)	(25,278,637)	(24,807,936)
Current tax payable		(166,731)	(2,458,544)	(6,106,748)
Retirement benefit liabilities	<b>5</b>	(206,300)	(75,898)	(151,438)
Gross amount due to customers		(35,298,447)	(43,703,882)	(32,912,602)
<b>Total current liabilities</b>		<b>(97,609,879)</b>	<b>(103,468,297)</b>	<b>(98,575,549)</b>
Net current assets/(liabilities)		53,182,427	10,259,932	48,542,538
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>146,855,017</b>	<b>133,219,360</b>	<b>146,510,721</b>
<b>NON- CURRENT LIABILITIES</b>				
Borrowings		-	-	-
Retirement benefit liabilities	<b>5</b>	(1,853,781)	(1,895,584)	(1,853,781)
Deferred tax liabilities		(12,989,322)	(13,220,121)	(12,989,322)
Gross amount due to customers		(107,228,437)	(90,323,291)	(106,971,355)
Provisions		-	(1,985,464)	(404,308)
<b>NET ASSETS</b>		<b>24,783,478</b>	<b>25,794,900</b>	<b>24,291,955</b>
<b>CAPITAL AND RESERVES</b>				
Share capital		660,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		880,933	712,405	419,755
Retained earnings		22,749,054	23,384,058	22,729,580
Attributable to owners of the company		24,715,427	25,181,903	24,234,775
Non-controlling interest		68,050	612,997	57,180
		<b>24,783,477</b>	<b>25,794,900</b>	<b>24,291,955</b>

**STATEMENT OF CHANGES IN EQUITY**

	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 2016</b>	660,000	425,440	1,006,021	24,560,373	26,651,834	70,000	26,721,834
Profit for the year	-	-	-	168,681	168,681	(1,950)	166,731
Other comprehensive income( net of tax)	-	-	(125,088)	-	(125,088)	-	(125,088)
<b>Total comprehensive income for the year</b>	-	-	(125,088)	168,681	43,593	(1,950)	41,643
Dividends to shareholders	-	-	-	(1,980,000)	(1,980,000)	-	(1,980,000)
<b>Balance at 30 September 2016</b>	<b>660,000</b>	<b>425,440</b>	<b>880,933</b>	<b>22,749,054</b>	<b>24,715,427</b>	<b>68,050</b>	<b>24,783,477</b>
<b>Balance at 1 January 2015</b>	660,000	425,440	504,021	23,420,332	25,009,793	539,216	25,549,009
Profit for the year	-	-	-	3,615,267	3,615,267	50,627	3,665,894
Other comprehensive income( net of tax)	-	-	208,384	(87,541)	120,843	23,154	143,997
<b>Total comprehensive income for the year</b>	-	-	208,384	3,527,726	3,736,110	73,781	3,809,891
Dividends to shareholders	-	-	-	(3,564,000)	(3,564,000)	-	(3,564,000)
<b>Balance at 30 September 2015</b>	<b>660,000</b>	<b>425,440</b>	<b>712,405</b>	<b>23,384,058</b>	<b>25,181,903</b>	<b>612,997</b>	<b>25,794,900</b>

**PROJECTED CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE THIRD QUARTER ENDING SEPTEMBER 30**

**Cashflows from operating activities**

Cash receipts from customers  
Cash paid to suppliers and employees

**Cash flows (used in)/provided by operating activities**

Interest paid  
Tax paid

**Net cash (used in)/provided by operating activities**

**Cashflows from investing activities:**

Interest received  
Proceeds from sale of fixed assets  
Purchase of fixed assets

**Net cash (used in)/provided by investing activities:**

**Cashflows from financing activities:**

Loan received  
Loan repayment  
Dividend paid

**Net cash used in financing activities:**

Net increase in cash and cash equivalents  
Cash and cash equivalent at 1 January  
Cash and cash equivalent at September 30

Cash and bank balances  
Bank overdrafts

	<b>2016</b>	<b>2015</b>
	<b>N'000</b>	<b>N'000</b>
Cash receipts from customers	59,269,104	104,702,517
Cash paid to suppliers and employees	(61,934,409)	(102,421,633)
<b>Cash flows (used in)/provided by operating activities</b>	<b>(2,665,305)</b>	<b>2,280,884</b>
Interest paid	(1,229,572)	(2,184,851)
Tax paid	(26,677)	(433,441)
<b>Net cash (used in)/provided by operating activities</b>	<b>(3,921,554)</b>	<b>(337,408)</b>
<b>Cashflows from investing activities:</b>		
Interest received	34,628	23,453
Proceeds from sale of fixed assets	568,181	774,094
Purchase of fixed assets	(48,804)	(1,854,546)
<b>Net cash (used in)/provided by investing activities:</b>	<b>554,005</b>	<b>(1,056,999)</b>
<b>Cashflows from financing activities:</b>		
Loan received	-	-
Loan repayment	(3,207,597)	(1,764,801)
Dividend paid	(1,980,000)	(3,564,000)
<b>Net cash used in financing activities:</b>	<b>(5,187,597)</b>	<b>(5,328,801)</b>
Net increase in cash and cash equivalents	(8,555,146)	(6,723,208)
Cash and cash equivalent at 1 January	(11,447,898)	(8,395,529)
<b>Cash and cash equivalent at September 30</b>	<b>(20,003,044)</b>	<b>(15,118,737)</b>
Cash and bank balances	10,591,039	10,159,900
Bank overdrafts	(30,594,082)	(25,278,637)
	<b>(20,003,044)</b>	<b>(15,118,737)</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. 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 Calabar is a 100% owned subsidiary of the Company and has been granted licences to operate in Calabar free trade zone.

## 2. Basis of preparation of financial statements

These financial statements are the projected interim results (hereafter "the Interim Financial Statements") of Julius Berger Nigeria Plc for the Third Quarter ending September 30, 2016 (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, 2015 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.

## 3. Segmental Analysis of Continuing operations

Julius Berger Nigeria Plc has three divisions which offer construction, civil engineering, building and facility management services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by division, 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 divisions are provided in the business and financial review in the Annual financial statement.

Revenue and results	Revenue			Profit/(loss)		
	2016		2015	2016		2015
	3 months July - Sept	9 months Jan - Sept	3 months July - Sept	3 months July - Sept	9 months Jan - Sept	3 months July - Sept
<i>Class of business:</i>	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	18,633,719	52,737,101	20,387,605	2,528,298	4,502,294	1,467,324
Building works	9,377,327	26,539,685	10,259,961	1,272,353	2,265,757	738,424
Services	4,673,955	13,228,215	5,113,888	634,181	1,129,325	368,054
	<b>32,685,000</b>	<b>92,505,000</b>	<b>35,761,455</b>	4,434,832	7,897,376	2,573,801
Net financing costs				(4,400,362)	(7,563,914)	(882,174)
<b>Profit before income tax</b>				<b>34,470</b>	<b>333,462</b>	<b>1,691,627</b>

## 4. Financial income and financing costs

	2016		2015
	3 months July - Sept	9 months Jan - Sept	3 months July - Sept
	N'000	N'000	N'000
<i>Financial income</i>			
Interest on deposits	-	(34,628)	32,543
Other interest income	-	-	-
Foreign exchange gains	(2,528,419)	(3,587,511)	(203,454)
<i>Financing costs</i>			
Interest on overdraft	820,379	1,112,822	362,401
Interest on loan	91,750	116,750	48,548
Foreign exchange acquisition	5,741,485	9,636,485	-
Other finance charges	169,483	242,735	58,628
Foreign exchange losses	105,684	77,261	583,508
<b>Net financing (income)/costs</b>	<b>4,400,362</b>	<b>7,563,914</b>	<b>882,174</b>

## 5. 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.





## 6. Related party Information

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 Limited: 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                      | - Chairman                             |
| - Engr. Heinz Stockhausen (German)       | - Vice Chairman                        |
| - Mr. George Marks (German)              | - Acting Managing Director (Executive) |
| - Wolfgang Kollermann (German)           | - Financial Director (Executive)       |
| - Alhaji Zubairu Ibrahim Bayi            | - Director Administration (Executive)  |
| - HRH Igwe Peter Nwokike Anugwu, JP, OFR | - Independent Director                 |
| - Engr. Jafaru Damulak                   | - Director                             |
| - Dr. Ernest Nnaemeka Azudialu-Obiejesi  | - Director                             |
| - Engr. Wolfgang Goetsch                 | - Director                             |
- Mr. Dave Herron, Director operations retired from the Board effective June 3, 2016.

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

## 7. Significant events

- Due to the non availability of FOREX from the CBN, the Company had to source foreign currencies from the inter bank or parallel markets. The weighted average of the different rates was used in converting FOREX transaction which results in significant exchange losses that is affecting profitability.
- In the current period, the Company still has significant difficulties in converting receivables to cash or cash equivalent as result of delayed payments by various clients which invariably translated into slow performances on project sites. Management is focused on project execution for clients who fulfil their payment obligations. This is in addition to proper cost management in the same magnitude to ensure that a relatively similar profitability index is achieved.

## **UNDERLYING ASSUMPTIONS FOR PROJECTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDING SEPTEMBER 30, 2016**

### **1. Basis of Assumption**

The preparation of this projection of Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and other disclosures considered significant at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

### **2. Turnover**

Revenue is measured at the fair value of the consideration received or receivable. The expected revenue for the period ending September 30, 2016 has been determined based on the quantum of revenue expected to be booked and recognised as at June 09, 2016 and is dependent upon the terms of the contract between the entity and its numerous clients.

### **3. Cost of Sales**

The cost of materials has been ascertained based on the bill of quantities as per contract agreements and the estimated level of work to be approved by the respective certificates of valuation. Performance still to be executed, cost already booked and also the proportion of cost still to be expected has been considered accordingly. The same procedure was applied for the development of inventories, PPE and Work in Progress.

### **4. Cash and Bank**

The level of cash flow has been estimated using the cash flow analysis of expected cash receipts and payments in line with the budgeted cash flow for the company. However, the Cash Flow Planning and consequently the development of Bank and Cash Balances as at September 30, 2016 are based on expected fund releases from our clients. The last instalment of the HSBC loan is expected to be paid in September to finally liquidate the loan.

### **5. Receivables**

Receivables include contract receivables, which are amounts due from clients for construction, civil or building works or services performed in the normal course of business. Efforts are geared by management towards recovery of all outstanding debts and settlement of liabilities as at when due. This had been incorporated in the preparation of this forecast.

### **6. Payables**

Trade and other payables represent advances from customer prepayments for performance of services related construction contracts which are expected to be recovered and are classified as current liabilities at the end of the period if they are to be recovered within one year or the operating cycle; otherwise, they are classified as noncurrent.