



**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH, 2016**

Julius Berger Nigeria Plc
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RC No. 6852



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**

SUMMARY

	1st Quarter	Year to date
	N'000	N'000
Turnover	<u>28,701,300</u>	<u>28,701,300</u>
Profit before tax	558,364	558,364
Taxation	<u>(307,104)</u>	<u>(307,104)</u>
Profit after tax	<u>251,260</u>	<u>251,260</u>

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
April 14, 2016

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



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**

		2016		2015	AUDITED
		3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	31/12/2015
		N'000	N'000	N'000	N'000
Revenue	Note	28,701,300	28,701,300	43,487,540	133,807,574
Cost of sales		(21,525,975)	(21,525,975)	(33,507,337)	(100,473,106)
Gross profit		7,175,325	7,175,325	9,980,203	33,334,468
Other gains and losses		858,197	858,197	358,004	835,151
Marketing expenses		8,033,522	8,033,522	10,338,207	34,169,619
Administrative expenses		(28,216)	(28,216)	(20,495)	(75,140)
<i>Operating profit</i>		<i>4,277,132</i>	<i>4,277,132</i>	<i>2,251,184</i>	<i>12,648,745</i>
Net financing income/(cost)	4	(3,718,768)	(3,718,768)	(131,880)	(6,148,772)
Profit before tax		558,364	558,364	2,119,304	6,499,973
Income tax expenses		(307,104)	(307,104)	(1,087,189)	(4,059,833)
Profit after taxation		251,260	251,260	1,032,115	2,440,140
Profit for the year		251,260	251,260	1,032,115	2,440,140
Other comprehensive Income for the year net					
Actuarial gains on retirement benefits		(36,074)	(36,074)	-	(180,372)
Exchange difference on translation of foreign operations		(120,111)	(120,111)	89,465	(499,656)
Total comprehensive income		95,075	95,075	1,121,580	1,760,112
Attributable to:					
Owners of the Company		95,017	95,017	1,071,357	1,759,887
Non-controlling interests		57	57	50,223	225
		95,075	95,075	1,121,580	1,760,112
Earnings per share (Naira)		0.07	0.07	0.81	1.33
Diluted earnings per share		0.07	0.07	0.81	1.33

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.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**

				AUDITED
		2016	2015	2015
		N'000	N'000	N'000
NON- CURRENT ASSETS	Notes			
Property, plant and equipment		58,112,978	70,949,314	58,376,513
Goodwill		5,035,629	4,842,708	5,041,184
Other intangible assets		24,534	78,020	32,712
Investment property		2,523,651	2,615,913	2,546,436
Contract and trade receivables	5	780,813	2,320,188	844,122
Tax receivable	6	22,360,782	36,792,590	21,039,915
Deferred tax assets		10,087,301	8,041,407	10,087,301
Total noncurrent assets		98,925,688	125,640,140	97,968,183
CURRENT ASSETS				
Inventories		8,501,470	9,800,444	11,110,116
Gross amount due from customers		37,204,457	23,994,433	27,228,427
Trade and other receivables	5	87,445,495	69,194,724	88,634,246
Current tax receivable	6	5,580,115	5,575,112	5,292,205
Non- current assets classified as held for sale		1,131,042	1,418,729	1,493,055
Cash and bank balances		9,432,832	17,870,157	13,360,038
Total current assets		149,295,411	127,853,599	147,118,087
CURRENT LIABILITIES				
Trade and other payables	7	(30,861,441)	(43,650,618)	(34,596,825)
Borrowings		(27,987,039)	(28,077,695)	(24,807,936)
Current tax payable		(6,413,852)	(2,386,165)	(6,106,748)
Retirement benefit liabilities	8	(80,554)	(95,300)	(151,438)
Gross amount due to customers		(28,437,461)	(37,129,161)	(32,912,602)
Total current liabilities		(93,780,347)	(111,338,939)	(98,575,549)
Net current assets/(liabilities)		55,515,065	16,514,660	48,542,538
TOTAL ASSETS LESS CURRENT LIABILITIES		154,440,753	142,154,800	146,510,721
NON- CURRENT LIABILITIES				
Borrowings		-	(2,987,859)	-
Retirement benefit liabilities		(2,015,816)	(1,989,888)	(1,853,781)
Deferred tax liabilities		(12,989,322)	(13,220,121)	(12,989,322)
Gross amount due to customers		(114,712,512)	(96,759,437)	(106,971,355)
Provisions		(300,000)	-	(404,308)
NET ASSETS		24,423,103	27,197,495	24,291,955
EQUITY				
Share capital		660,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		299,644	999,930	419,755
Retained earnings		22,980,783	24,491,689	22,729,580
Attributable to owners of the company		24,365,867	26,577,059	24,234,775
Non-controlling interest		57,237	620,436	57,180
		24,423,103	27,197,495	24,291,955



**STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**

	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 2016	660,000	425,440	419,755	22,729,580	24,234,775	57,180	24,291,955
Profit for the year	-	-	-	251,203	251,203	57	251,260
Other comprehensive income(net of tax)	-	-	(120,111)	-	(120,111)	-	(120,111)
Total comprehensive income for the year	-	-	(120,111)	251,203	131,092	57	131,149
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 31 March 2016	660,000	425,440	299,644	22,980,783	24,365,867	57,237	24,423,103
Balance at 1 January 2015	660,000	425,440	919,411	23,500,850	25,505,701	570,213	26,075,914
Profit for the year	-	-	-	990,839	990,839	41,277	1,032,116
Other comprehensive income(net of tax)	-	-	80,519	-	80,519	8,947	89,465
Total comprehensive income for the year	-	-	80,519	990,839	1,071,358	50,223	1,121,581
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 31 March 2015	660,000	425,440	999,930	24,491,689	26,577,059	620,436	27,197,495

**UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FIRST QUARTER ENDED MARCH 31, 2016**
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 March 31

Cash and bank balances

Bank overdrafts

	2016	2015
	N'000	N'000
Cash receipts from customers	21,547,995	32,592,201
Cash paid to suppliers and employees	(27,153,264)	(31,083,346)
Cash flows (used in)/provided by operating activities	(5,605,269)	1,508,855
Interest paid	(634,038)	(1,233,930)
Tax paid	(49,137)	(173,950)
Net cash (used in)/provided by operating activities	(6,288,444)	100,975
Cashflows from investing activities:		
Interest received	34,534	13,815
Proceeds from sale of fixed assets	858,197	358,004
Purchase of fixed assets	(32,804)	(598,266)
Net cash (used in)/provided by investing activities:	859,925	(226,447)
Cashflows from financing activities:		
Loan received	-	-
Loan repayment	(1,677,791)	(1,686,537)
Dividend paid	-	-
Net cash used in financing activities:	(1,677,791)	(1,686,537)
Net increase in cash and cash equivalents	(7,106,310)	(1,812,009)
Cash and cash equivalent at 1 January	(11,447,898)	(8,395,529)
Cash and cash equivalent at March 31	(18,554,208)	(10,207,538)
Cash and bank balances	9,432,832	17,870,157
Bank overdrafts	(27,987,039)	(28,077,695)
	(18,554,208)	(10,207,538)

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 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 unaudited interim results (hereafter "the Interim Financial Statements") of Julius Berger Nigeria Plc for the First Quarter ended March 31, 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 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.

Revenue and results	Revenue			Profit/(loss)		
	2016		2015	2016		2015
	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
Class of business:	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	16,359,741	16,359,741	24,787,898	2,437,965	2,437,965	1,283,175
Building works	9,758,442	9,758,442	14,785,764	1,454,225	1,454,225	765,403
Services	2,583,117	2,583,117	3,913,879	384,942	384,942	202,607
	28,701,300	28,701,300	43,487,540	4,277,132	4,277,132	2,251,184
Net financing costs				(3,718,768)	(3,718,768)	(131,880)
Profit before income tax				558,364	558,364	2,119,304

The decline recorded on turnover and performance in the quarter when compare to prior year resulted from the slow pace work in the period under review. The last financial year witnessed a decline in clients payment to the company as evidence in the increase in receivables. Hence the drop in the Groups performance.

4. Financial income and financing costs

Financial income

Interest on deposits
Other interest income
Foreign exchange gains

Financing costs

Interest on overdraft
Interest on loan
Other finance charges
Foreign exchange acquisition
Foreign exchange losses

Net financing (income)/costs

2016		2015
3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
N'000	N'000	N'000
(34,534)	(34,534)	-
(50,900)	(50,900)	(13,814)
(55,715)	(55,715)	(1,887,798)
634,038	634,038	1,045,403
-	-	188,527
188,995	188,995	445,855
2,982,168	2,982,168	-
54,716	54,716	353,707
3,718,768	3,718,768	131,880

5. Contract and trade receivables

Included in contract receivables are amounts due from contracts receivable **N63.23 billion**, trade receivables **N9.66 billion**, advances to suppliers **N0.508 billion** and advance payment to sub-contractors of about **N14.04 billion**. All debts considered doubtful of recovery have been considered in stating the figures above.

6. Tax receivable

Amounts expected to be recovered within one year
Amounts expected to be recovered after more than one year

2016	2015
N'000	N'000
5,580,115	5,575,112
22,360,782	36,792,590
27,940,897	42,367,702

This represents withholding and value added taxes recoverable from clients and the Federal Inland Revenue Service.



7. Trade and other payables

Included in trade and other payables are amounts due to suppliers and subcontractors amounting to **N20.24 billion**

The remaining balance represents accruals, other deferred payments and provisions in the period under review.

Trade payables, amounts owed to joint ventures, other taxation and social security costs, other payables and dividends are classified as other financial liabilities.

8. 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.

9. 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.

10. Significant events

- The Company has continued with the repayment of the secured term loan from HSBC bank London in the period. The loan was to finance supply of capital goods and related services. The repayment of the loan has continued in the period and both principal and interest payments have been incorporated in these financial statements.

- 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.

- During the quarter, the Company continued to have difficulties in converting receivables to cash or cash equivalent as result of delayed payments by most clients which invariably translated into slow performances on project sites. This culminated in decline in volume of activities and related turnover. However, costs have been managed in the same magnitude to ensure that a relatively similar profitability index is achieved.

11. Events after the reporting period

During the period, the Chairman of the Board, AVM Nura Imam (CFR) has resigned from the Board of Julius Berger Nigeria Plc. Mr. Mutiu Summonu has been appointed Chairman of the Board with effect from April 01, 2016.

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, 2016 and the profit for the year then ended date that has not been adequately provided for or recognised in the Financial Statements.