JULIUS BERGER

Annual Reports 2016

and Financial Statements

Contents

Corporate Information

Directors

- Mr. Mutiu Sunmonu, CON, Chairman
- Engr. Heinz Stockhausen (German), Vice Chairman
- HRH Igwe Peter Nwokike Anugwu, JP, OFR, Independent Director
- Engr. Jafaru Damulak
- Mr. George Marks (German)
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Engr. Wolfgang Goetsch (Austrian), Managing Director
- Mr. Wolfgang Kollermann (German), Financial Director
- Alhaji Zubairu Ibrahim Bayi, Director Administration

Company Secretary

Mrs. Cecilia Ekanem Madueke

Registration Number

6852

Registered Office

10 Shettima A. Munguno Crescent
Utako 900 108
FCT Abuja

Auditors

Nexia Agbo Abel & Co.
Chartered Accountants
43 Anthony Enahoro Street
Utako 900 108
FCT Abuja

Registrars

GTL Registrars Ltd.
274 Murtala Muhammed Way
Ebute Metta 101 212
Lagos

Bankers

- Access Bank Plc
- Diamond Bank Plc
- First Bank of Nigeria Ltd.
- First City Monument Bank Plc
- Guaranty Trust Bank Plc
- Standard Chartered Bank Nigeria Ltd.
- Union Bank of Nigeria Plc
- United Bank for Africa Plc
- Zenith Bank Plc

Corporate Profile

Julius Berger Nigeria Plc (the Company) is a leading construction company offering integrated construction solutions and related services. Since its pioneer project in 1965, Julius Berger Nigeria Plc has played a pivotal role in the development of Nigeria. The Company specialises in executing complex works requiring the highest level of technical expertise and Nigeria-specific knowhow.

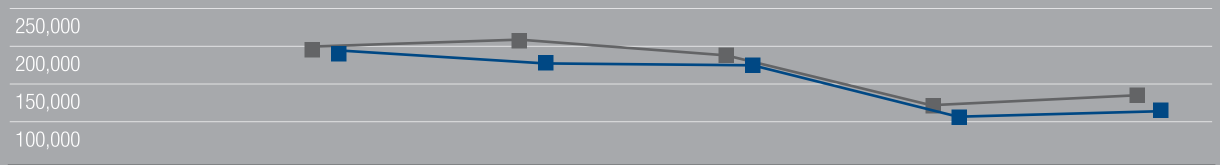
State-of-the-art methods and technologies ensure that quality and innovation are prioritised for the benefit of clients. Subsidiaries and additional facilities make it possible to realise multifaceted projects at the highest level of performance. This structure allows Julius Berger Nigeria Plc to effectively manage and fulfil construction projects, starting from the initial idea, through to planning, design, engineering, construction, operation and maintenance.

Subsidiaries include: Julius Berger International GmbH, in Germany, a key provider of planning, design and engineering, in addition to logistical support for the businesses in Nigeria; Julius Berger Services Nigeria Ltd., a multipurpose terminal operator at the Warri Port, which contributes to efficient operations; Julius Berger Medical Services Ltd., a medical service provider to Julius Berger Nigeria Plc and its subsidiaries (the Group); Julius Berger Free Zone Enterprise, which facilitates opportunities to participate in projects within the Free Trade Zones across Nigeria; Abumet Nigeria Ltd., a leading aluminium manufacturer in Nigeria, which strengthens the Group's ability to provide turnkey building solutions; Prime-Tech Design and Engineering Nigeria Ltd., which houses the Group's design and engineering resources in Nigeria.

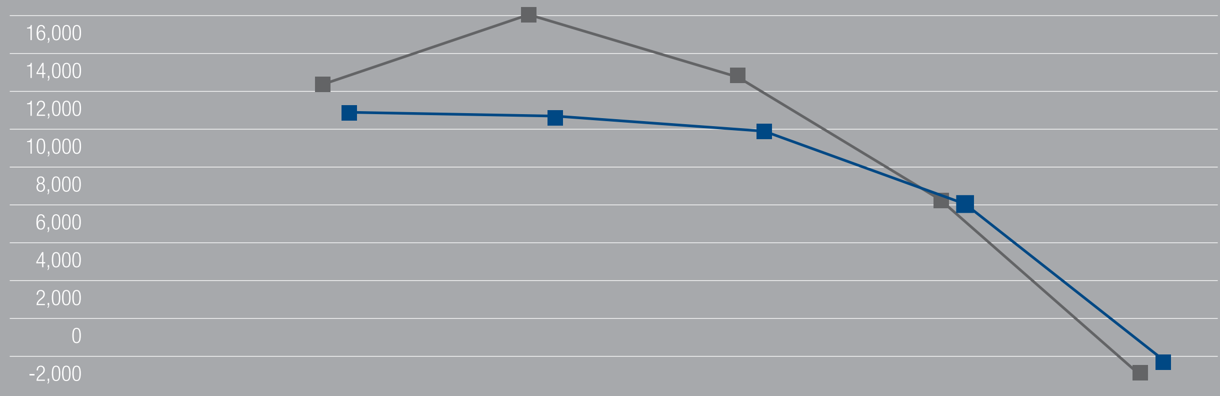
Julius Berger Nigeria Plc, together with its subsidiaries, is guided by a value system, which has, over time, defined and differentiated its business, thereby setting a benchmark in the Nigerian construction industry. The Group's competitive edge is solidified through adherence to internationally specified standards and through its focus on efficient and value-driven project planning and execution. Unwavering reliability, unmatched expertise as well as strong supply chains provide particular assurance and guarantee project success.

Results at a Glance

Turnover and Profit/(Loss) Before Tax

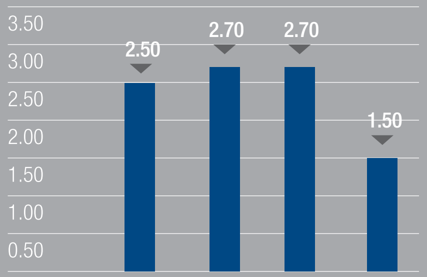


₦ million	2012	2013	2014	2015	2016
Turnover Group	201,565	212,737	196,809	133,808	138,994
Turnover Company	196,955	184,212	179,979	119,243	119,813



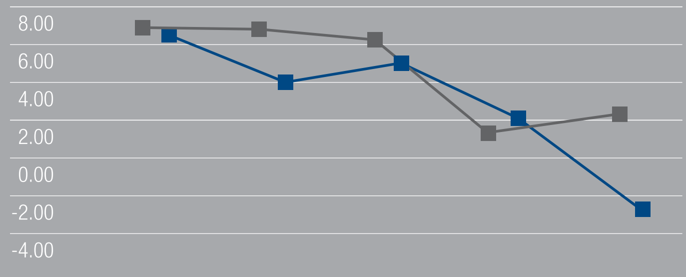
₦ million	2012	2013	2014	2015	2016
PBT Group	12,341	16,221	13,135	6,500	(1,498)
PBT Company	11,545	10,976	10,029	6,234	(1,239)

Dividend per Share



₦	2012	2013	2014	2015
Company	2.50	2.70	2.70	1.50

Earnings per Share



₦	2012	2013	2014	2015	2016
Group	6.83	6.72	6.13	1.33	2.28
Company	6.48	3.99	4.92	2.01	(2.68)

	Group 2016 ₦000	Group 2015 ₦000	Change %	Company 2016 ₦000	Company 2015 ₦000	Change %
Revenue	138,993,752	133,807,574	3.88	119,813,392	119,242,541	0.48
(Loss)/Profit before taxation	(1,498,029)	6,499,973	(123.05)	(1,239,251)	6,234,338	(119.88)
(Loss)/Profit for the year	(3,816,792)	2,440,140	(256.42)	(3,656,210)	2,836,672	(228.89)
Other comprehensive income	6,822,152	(680,028)	**(1,103.22)**	122,845	(180,372)	(168.11)
Total comprehensive income	**3,005,360**	**1,760,112**	**70.75**	**(3,533,365)**	**2,656,300**	**(233.02)**
Non-controlling interest	(9,654)	225	(4,390.84)	–	–	–
Profit/(Loss) attributable to equity holders of the parent	**3,015,014**	**1,759,887**	**71.32**	**(3,533,365)**	**2,656,300**	**(233.02)**
Retained earnings	17,065,287	22,729,580	(24.92)	12,059,647	17,573,012	(31.37)
Share capital	660,000	660,000	–	660,000	660,000	–
Shareholders' funds	25,316,315	24,291,955	4.22	13,145,087	18,658,452	(29.55)

Per share data

	Group 2016 ₦	Group 2015 ₦	Change %	Company 2016 ₦	Company 2015 ₦	Change %
Earnings per share						
– Basic	2.28	1.33	71.32	(2.68)	2.01	(233.02)
– Diluted	2.28	1.33	71.32	(2.68)	2.01	(233.02)
Net assets per share						
– Basic	19.18	18.40	4.22	9.96	14.14	(29.55)
– Diluted/Adjusted	19.18	18.40	4.22	9.96	14.14	(29.55)
Stock Exchange quotation at December 31	38.58	42.00	(8.14)	38.58	42.00	(8.14)
Number of employees	9,142	10,887	(16.03)	7,888	9,277	(14.97)

Notice of
Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting (AGM) of Julius Berger Nigeria Plc will be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, FCT Abuja, on Thursday, June 15, 2017, at 11:00 a.m., to transact the following business:

Ordinary business

1. To lay before the Company in General Meeting, the Consolidated Group Financial Statements for the period ended December 31, 2016, the Reports of the Auditors, the Directors of Julius Berger Nigeria Plc (the Directors) and the Statutory Audit Committee.

2. To elect / re-elect Directors.

3. To authorise the Directors to fix the remuneration of the External Auditors.

4. To constitute the Statutory Audit Committee.

Special business

5. To consider and if thought fit, pass the following resolution as ordinary resolutions:

   "That the Directors' fees payable to each Director, save Executive Directors, until further notice, be and is hereby fixed at the sum of ₦3.1 million (three million, one hundred thousand Naira) for each Non-Executive Director save the Chairman, whose fees shall be fixed at the sum of ₦5.2 million (five million, two hundred thousand Naira), such payments to be made effective from January 1, 2017".

By order of the Board,

Mrs. Cecilia Ekanem Madueke
Company Secretary

10 Shettima A. Munguno Crescent
Utako 900 108 | FCT Abuja

May 8, 2017

Notes

Proxy

A member of the Company, entitled to attend and vote, is entitled to appoint a proxy to attend and vote in his stead. A proxy needs not be a member of the Company. A proxy form is provided with this Annual Reports and Financial Statements (AR & FS), to be valid for the purpose of the Meeting, must be completed, duly stamped at the office of the Commissioner for Stamp Duties and deposited at the office of the Registrars, GTL Registrars Ltd., not later than 48 hours before the time appointed for holding the Meeting.

Closure of Register of Members and Transfer Books

The Register of Members and the Transfer Books will be closed from May 29, 2017 to May 31, 2017, both dates inclusive.

Appointment of members of the Statutory Audit Committee of the Company

Any member may nominate a shareholder as a member of the Statutory Audit Committee of the Company, by giving notice in writing of such nominations together with a copy of the curriculum vitae of the nominee to the Company Secretary at least 21 days before the date of the AGM. Nominees to the Statutory Audit Committee must be compliant with the laws, rules and regulations guiding listed companies in Nigeria.

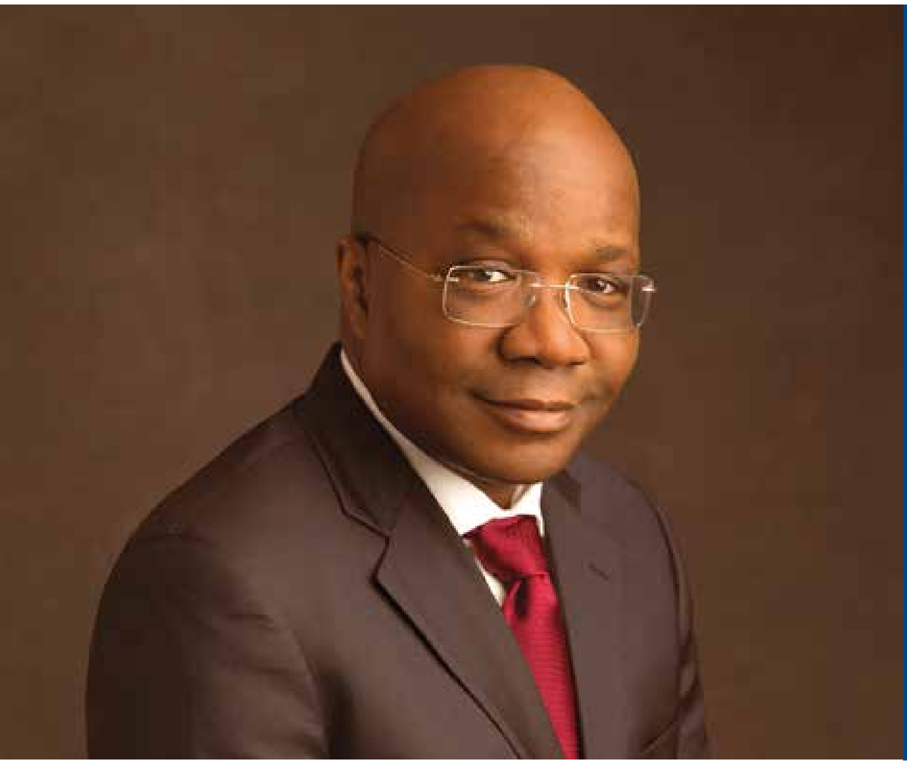
Right to ask questions

Members have a right to ask questions on their observations or concerns arising from the AR & FS 2016 not only at the Meeting but also in writing prior to the Meeting, provided that such questions in writing are submitted no later than June 5, 2017. The AR & FS 2016 can be downloaded from the website of the Company at www.julius-berger.com.

Unclaimed share certificates and dividend warrants

The Company notes that some share certificates have been returned marked "unclaimed". The Company notes further that some dividend warrants sent to shareholders are yet to be presented for payment. Therefore, all shareholders with "unclaimed share certificates" or "unclaimed dividends" should address their claim(s) to the Registrars, GTL Registrars Ltd., 274 Muritala Muhammed Way, Ebute Metta 101 212, Lagos or to the Company Secretary at the address of the registered office. Members are being urged to avail themselves of the use of the forms provided to update their information, particularly as it relates to share certificates and warrants, as well as mandate their dividend(s), and use the Central Securities Clearing System (CSCS).

Chairman's Statement



Highlighted Projects

Completed works

- Command and Control Centre Nigerian Naval Headquarters, Abuja
- Nestoil Office Tower, Lagos
- Rehabilitation of Badia Roads, Lagos
- Ijora–Apapa Flyover & Approach Road Emergency Repairs, Lagos
- Apapa–Oshodi Expressway Emergency Repairs, Section 3, Lagos
- Government House Complex, Phase III, Uyo
- Uyo–Abak Road, Akwa Ibom

Major ongoing works

- Permanent Site of the National Institute for Legislative Studies, Abuja
- Economic and Financial Crime Commission Headquarters, Abuja
- Completion of Roads B6 / B12 and Circle Road, Abuja
- Rehabilitation & Extension of Airport Expressway, Abuja
- Dangote Jetty Apapa, Lagos
- Lagos–Ibadan Dual Carriageway, Section 1, Lagos–Shagamu
- Uyo–Etinan Road, Akwa Ibom
- Dualisation Oil Mill–Elelenwo –Akpajo Road, Port Harcourt
- No Potholes Programme, Port Harcourt
- Project Emerald, GE, Calabar FTZ
- Upgrade of NLNG MOF Jetty 2, Bonny Island
- Azura-Edo Independent Power Plant, Benin City

New awards

- Asokoro Fire Station and Ancillary Buildings, Abuja
- Rehabilitation of Nnamdi Azikiwe International Airport Runway, Abuja
- Airport Hangar, Maiduguri
- Gbagada Flyover, Lagos
- Agege Motor Road Emergency Repairs, Lagos
- Atlas Cove Jetty Maintenance, Lagos
- Government House Complex Phase IV, Port Harcourt
- Ecumenical Centre, Port Harcourt
- Akwa Ibom Stadium Complex, Maintenance, Akwa Ibom

Distinguished Ladies and Gentlemen, valued Shareholders,

For Nigeria, the past year was one of the economically most difficult in close to three decades. The country officially entered into recession, marking the nation's first prolonged negative growth since the early 1980's. The shrinking economy brought new and ever-increasing challenges, with far reaching consequences. Compounding the critical situation, persistently lower crude oil prices, reduced crude oil production, accelerated inflation, Naira devaluation and a shortage of foreign currency magnified hardships, making economic turnaround increasingly tough.

The construction industry was particularly hard hit. Increased operating costs and foreign exchange losses coupled with a continued reduction of client spending against investment and development adversely effected the entire industry. Since the majority of projects depend directly or indirectly on the financial position of the Federal Government, hope came in the form of the 2016 Federal Budget, which was larger than previous years and reflected a considerable increase in capital expenditure. However, the ability of the Federal Government to fund and implement the 2016 Budget to its fullest potential was not achieved and recession hit even harder.

Julius Berger Nigeria Plc and its subsidiaries were not insulated from this harsh reality. Consequently, across the Group, the Management made enormous efforts to protect profit and reduce risk. While proactive measures taken in previous years proved to be instrumental in supporting the Group's ability to withstand the prolonged nature of the economic downturn, more aggressive strategies and additional actions were required over the past year as the situation worsened. The major focus was on reducing forex exposure, both to keep the Group afloat and also to position our businesses to be more competitive going forward, considering the devastating impact of the currency crisis. Actions included the further downsizing of operations through the consolidation of administrative structures, closure of production facilities, merging of operational units as well as the additional reduction of staff strength, most especially the reduction of international staff.

Despite the trying circumstances and increased competition for the fewer viable projects on the market, Julius Berger Nigeria Plc and its subsidiaries were still successful in acquiring several projects. The Company's new awards included the Port Harcourt Government House and Pleasure Park, a multifunctional leisure and recreational park, several building projects and the rehabilitation of the runway at the

Julius Berger Nigeria Plc AR & FS 2016 | Chairman's Statement

"Julius Berger Nigeria Plc and its subsidiaries remain focused on providing efficient and value-driven planning and execution of projects"

Nnamdi Azikiwe International Airport in Abuja as well as the rehabilitation of various roads in Port Harcourt and Lagos.

For the most part, ongoing projects progressed well throughout the year, including the Azura-Edo Independent Power Plant, which is a huge achievement for our business in the power sector, the General Electric Project Emerald in Calabar, a number of residential developments in Lagos and Abuja as well as road projects in Uyo and Port Harcourt.

A few Federal Government projects within our portfolio, previously suspended due to non-payment, were revived to an active state due to their economic and political significance. The Lagos–Shagamu–Ibadan Expressway, Section 1, the Abuja Airport Expressway, the Permanent Site of the Nigerian Institute for Legislative Studies and the Economic and Financial Crimes Commission Headquarter were identified as priority projects and therefore well considered in the Federal Budget. These projects were funded, even if at a lower level of performance than originally planned, and progressed accordingly.

Such positive momentum on these projects has been vital to providing the Company with much needed revenue, and even led to a slight increase compared to the previous period. Additionally, Julius Berger International GmbH contributed to an increase in proceeds for the group due to its ability to increase turnover via external clients outside of the Group. These achievements helped to reduce liabilities and increase cash flow, and have provided a basis for financial planning.

Even so, such achievements were not enough to offset the tremendous and critical challenges the Group continued to face in light of dwindling economic performance and greater uncertainty in Nigeria. The persistent and increased severity of economic hardships, specifically the large premium paid for the acquisition of foreign exchange at exorbitant rates, resulted in unbearable losses that absorbed the operating profit completely. This, coupled with the Federal and State Governments' continued inability to honour contractual obligations on the majority of their projects, had drastic negative effects on Company liquidity and profitability.

For the first time in the history of its operations, Julius Berger Nigeria Plc ended the year with a loss. Consequently and regretfully with respect to the unbroken trend of dividend payment of your Company, your directors would not be recommending the payment of dividend for the financial year ended December 31, 2016. Your Board and Management is more focused on ensuring the survival of Julius Berger in this harsh economic and operational environment.

Based on the volatile nature of the economic situation it is very difficult to project future developments. Nonetheless, it is expected that the mitigation measures implemented, which have led to lighter structures and greater flexibility in operations, together with the Federal Government's continued funding of projects of national priority and award of additional significant projects, will result in a stable 2017 financial year.

The Company will continue to implement its long-term strategy of diversification with regards to business segments and client mix. Emphasis will continue to be placed on further increasing the share of private sector clients within our portfolio. The Company will continue to strengthen its presence in the power sector by enhancing its position as an engineering, procurement and construction contractor of choice. Opportunities in other new business areas will continue to be identified and explored diligently, with negotiations already proceeding on a number of promising projects, and debt recovery measures, including extraordinary actions already initiated with the Federal Government, will continue to be pursued to find amicable solutions.

Julius Berger Nigeria Plc and its subsidiaries shall ensure core strengths are maintained across the Group. Across all businesses, the dedication to providing efficient and value-driven planning and execution of projects will remain a top priority. This commitment, coupled with the continued emphasis on quality management ensures continuous improvement in the effectiveness of key business processes thereby guaranteeing that Julius Berger Nigeria Plc and its subsidiaries remain well equipped to consistently meet clients' demand for superior quality and reliable delivery.

Although Nigeria currently faces tough economic times, I wholeheartedly believe that our country retains enormous potential and look forward to expected developments related to the Federal Government's Economic Recovery and Growth Plan together with implementation of the 2017 Federal Budget, tagged the 'Budget of Recovery and Growth', both of which are expected to serve as catalysts to pull the economy out of recession and place it on the path of sustainable growth.

Esteemed shareholders, be assured that Julius Berger's Board of Directors, Management and staff continue to seek innovative solutions that ensure resilience in light of the turbulent economy and reinforce our ability to respond swiftly to the opportunities and challenges of the market environment, in order to deliver value to our clients and ultimately, to you, our shareholders.

The ability to overcome adversity, successfully adapt to changing circumstances and fully seize the potential of opportunities underlies the strength of Julius Berger Nigeria Plc and its subsidiaries. Accordingly, we remain hopeful for the much anticipated positive momentum of economic recovery.

Thank you for your continued commitment and support.

Mr. Mutiu Sunmonu, CON
Chairman
FRC / 2014 / IODN / 00000006187

Julius Berger Nigeria Plc AR & FS 2016 | Directors' Profiles

Directors' Profiles

Photographs in order from top left to bottom right

Mr. Mutiu Sunmonu, CON
BSc (First Class Honours Mathematics & Computer Sciences)
- Appointed Chairman with effect from April 1, 2016
- Appointed Director with effect from January 1, 2015

Chairman of the Boards of Directors of Imperial Homes Mortgage Ltd. and Julius Berger Investments Ltd. | Director of Unilever Nigeria Plc

Engr. Heinz Stockhausen (German)
Diplom-Ingenieur (Graduate Civil Engineer)
- Appointed Vice Chairman on December 8, 2009
- Appointed Director on September 5, 2008

Engr. Wolfgang Goetsch (Austrian)
Diplom-Ingenieur (Graduate Civil Engineer)
- Joined the Company on July 1, 1991
- Appointed Director on October 12, 2007 and Managing Director with effect from October 15, 2007
- Non-Executive Director, July 1, 2014
- Appointed Managing Director with effect from July 23, 2016

Member of the Nigerian Society of Engineers and the Council for the Regulation of Engineering in Nigeria | Director of Julius Berger Investments Ltd. and Second Niger Bridge Development Company Ltd.

Mr. Wolfgang Kollermann (German)
Diploma in Business Administration and Accounting
- Appointed Director and Financial Director with effect from September 22, 2010
- Joined the Company on September 1, 2000

Member of the Association of National Accountants of Nigeria | Chairman of the Board of Directors of Julius Berger Medical Services Ltd. | Director of Abumet Nigeria Ltd., Julius Berger Services Nigeria Ltd., PrimeTech Design and Engineering Nigeria Ltd. and Julius Berger Free Zone Enterprise

Alhaji Zubairu Ibrahim Bayi
BSc (Buildings)
- Appointed Director and Director Administration with effect from January 1, 2013
- Joined the Company on February 2, 1984

Director of Julius Berger Services Nigeria Ltd.

Engr. Jafaru Damulak
BSc (Civil Engineering)
- Appointed Director on October 12, 2007

Member of the Nigerian Society of Engineers and the Council for the Regulation of Engineering in Nigeria | Chairman of the Board of Directors of PrimeTech Design and Engineering Nigeria Ltd. and Julius Berger Free Zone Enterprise | Managing Director of Elm Properties and Estate Development Company Ltd. | Director of NETCOM Africa Ltd.

HRH Igwe Peter Nwokike Anugwu, JP, OFR
Diploma in Agricultural Engineering
- Independent Director
- Appointed Director on May 2, 1996

Justice of the Peace and traditional ruler of the ancient Mbaukwu Kingdom in Anambra State | Chairman of the Board of Directors of Julius Berger Services Nigeria Ltd. | Director of Interfact Beverages Ltd. and Orient Petroleum Ltd.

Mr. George Marks (German)
BBA, DSc (HC)
- Appointed Director with effect from January 1, 2013

Member of the Association of National Accountants of Nigeria | Managing Director of Julius Berger International GmbH (Germany) | Director of Centenary City Plc.

Dr. Ernest Nnaemeka Azudialu-Obiejesi
BSc (Accountancy), DBA (HC)
- Appointed Director on March 22, 2012

Group Managing Director of Nestoil Plc | Director of WaterTown Energy Ltd., B&Q Dredging Ltd., Energy Works Technology Ltd., Royaloak Hydrocarbon Ltd. and others

Project Emerald, GE, Calabar FTZ

Reports
to Shareholders
for the Year Ended December 31, 2016

Directors' Report

The Directors are pleased to present to the members of Julius Berger Nigeria Plc at the 47th AGM their report on the business of the Group for the year ended December 31, 2016.

1. Legal form

The Company was incorporated in Nigeria under the Companies Act 1968, now CAMA, as a private limited liability company on February 18, 1970. The Company subsequently converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange (NSE) on September 20, 1991.

2. Principal activities

The principal activities of the Company are the business of planning and construction of all kinds of civil engineering works. The Company has seven subsidiaries, with their principal activities stated as follows:

Subsidiary	Principal activities and business	Date of incorporation	Percentage holding
Abumet Nigeria Ltd.	Manufacturers and dealers in aluminium, steel, iron or other structural products of such nature	June 15, 1990	90.0 %
Julius Berger Services Nigeria Ltd.	Providers of port services, stevedores, cargo superintendents, port management, warehousemen, agents and proprietors of warehouses	August 30, 2006	100.0 %
Julius Berger Medical Services Ltd.	Health care providers for the operation of medical service institutions and all form of medical and health care services	August 22, 2011	100.0 %
PrimeTech Design and Engineering Nigeria Ltd.	Engineers, planning, design, development and maintenance of engineering works and products of all description	August 22, 2011	100.0 %
Julius Berger Investments Ltd.	Investment company and managers	June 1, 2012	100.0 %
Julius Berger International GmbH	Providers of logistical and technical support on an international level	June 24, 2008	100.0 %
Julius Berger Free Zone Enterprise	Planning and construction of all kinds and aspects of civil engineering works and related activities as well as maintenance of buildings and facilities in free trade zones	March 24, 2015	100.0 %

The financial results of all the subsidiaries have been consolidated in these Financial Statements.

Julius Berger Nigeria Plc AR & FS 2016 | Directors' Report

Group results	2016 ₦ 000	2015 ₦ 000
Turnover	138,993,752	133,807,574
Profit attributable to Group activities	3,005,360	1,760,112
Retained earnings	17,065,287	22,729,580

3. Results for the year

Comparative highlights of the operational results of the Group for the years ended December 31, 2016 and 2015 are as stated in the table above.

4. Review of business development

In the year under review, in spite of the challenging economic environment, the Group, in the opinion of the Directors, performed satisfactorily and in accordance with planning.

Save as herein disclosed, no other events have occurred since the year ended December 31, 2016, which would affect the Financial Statements.

5. Dividends

5.1 Dividend

The Directors would not be recommending to the Members at the 47th AGM, payment of dividend for the financial year ended December 31, 2016.

5.2 Unclaimed dividends and share certificates

The lists of shareholders who have either unclaimed dividends or share certificates have been compiled and are attached with this document. Shareholders who find their names on the lists and have claimed their dividend(s) or share certificate(s) since December 31, 2016, should kindly ignore the attached lists. However, shareholders who are yet to claim their unclaimed dividend(s) or share certificate(s) should contact the Company Secretary or the Registrars, GTL Registrars Ltd.

6. Directors and directors' interest and shareholding

6.1 Board of Directors in 2016

The Directors who served on the Board of the Company for the year ended December 31, 2016, were as follows:

- AVM (Dr.) Mohammed Nurudeen Imam, CFR
- Engr. Heinz Stockhausen (German)
- HRH Igwe Peter Nwokike Anugwu, JP, OFR
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Mr. George Marks (German)
- Engr. Wolfgang Goetsch (Austrian)
- Mr. Mutiu Sunmonu, CON
- Mr. Wolfgang Kollermann (German)
- Alhaji Zubairu Ibrahim Bayi
- Mr. David Herron (Australian)

6.2 Changes to the Board

During the period under review, AVM (Dr.) Mohammed Nurudeen Imam, CFR and Mr. David Herron resigned their appointment as Directors with effect from March 31, 2016 and June 3, 2016 respectively. Mr. Mutiu Sunmonu, CON was appointed the Chairman of the Board with effect from April 1, 2016. Engr. Wolfgang Goetsch was appointed Managing Director with effect from July 23, 2016.

6.3 Directors for re-election

Mr. Mutiu Sunmonu, CON and Mr. George Marks are the Directors retiring by rotation, in accordance with the provisions of S259 of CAMA and the Articles of Association (the Articles). Mr. Mutiu Sunmonu, CON and Mr. George Marks all being eligible, offer themselves for re-election.

6.4 Directors' interest

For the purposes of S275, 276 and 277 of CAMA and in compliance with the listing requirement of the NSE:

- some Directors gave notices of disclosable direct and/or indirect interests in some contracts and assets of the Group; and
- the Directors' interest in the issued share capital of the Company as recorded in the Register of Members and in the Register of Directors' holdings and contracts as notified by them are as stated in the table on page 19.

Julius Berger Nigeria Plc AR & FS 2016 | Directors' Report

Number of Directors' direct and indirect holdings as at	March 15, 2017	December 31, 2016	December 31, 2015
AVM (Dr.) Mohammed Nurudeen Imam, CFR	897,387	897,387	782,383
Mr. Mutiu Sunmonu, CON	1,000,000	1,000,000	1,000,000
Engr. Heinz Stockhausen	–	–	–
HRH Igwe Peter Nwokike Anugwu, JP, OFR	88,000	88,000	88,000
Engr. Jafaru Damulak	1,980,849	1,980,849	1,980,849
Dr. Ernest Nnaemeka Azudialu-Obiejesi – Indirect*	165,127,597	165,127,597	163,127,597
Mr. George Marks	–	–	–
Engr. Wolfgang Goetsch	–	–	–
Mr. Wolfgang Kollermann	–	–	–
Alhaji Zubairu Ibrahim Bayi	465,619	465,619	417,119
Mr. David Herron	–	–	–

*Watertown Energy Ltd., BOJ-ESL NOMINEE (Continental Acquisitions Ltd.) and AAD ESL Nominee

7. Share capital and shareholding

The Company did not purchase its own shares during the year.

7.1 Authorised share capital

The authorised share capital of the Company is ₦800 million made up of 1.6 billion ordinary shares of 50 Kobo each.

7.2 Issued and fully paid share capital

The issued and paid-up share capital of the Company currently is ₦660 million made up of 1.3 billion ordinary shares of 50 Kobo each.

The share capital history of the Company is stated on page 122.

Beneficial ownership	Number of ordinary shares held as at March 15, 2017	Percentage holdings as at March 15, 2017	Number of ordinary shares held as at December 31, 2016	Percentage holdings as at December 31, 2016	Percentage holdings as at December 31, 2015
Goldstone Estates Ltd.	262,262,079	19.9%	262,262,079	19.9%	19.9%
Bilfinger SE	217,800,000	16.5%	217,800,000	16.5%	16.5%
Watertown Energy Ltd.	132,000,000	10.0%	132,000,000	10.0%	10.0%
Ibile Holdings Ltd.	72,600,000	5.5%	72,600,000	5.5%	5.5%
Other Nigerian Citizens, Associations and Governments	635,337,921	48.1%	635,337,921	48.1%	48.1%
Total	**1,320,000,000**	**100.0%**	**1,320,000,000**	**100.0%**	**100.0%**

7.3 Beneficial ownership

The issued and paid-up share capital of the Company, as at December 31, 2016, and March 15, 2017, when the Financial Statements were approved, were beneficially held as stated in the table above.

7.4 Free float

The free float analysis of the issued and paid-up share capital of the Company, as at December 31, 2016, and March 15, 2017, when the Financial Statements were approved, is as stated on page 21:

Julius Berger Nigeria Plc AR & FS 2016 | Directors' Report

Free float	Number of ordinary shares held as at March 15, 2017	Percentage holdings as at March 15, 2017	Number of ordinary shares held as at December 31, 2016	Percentage holdings as at December 31, 2016	Percentage holdings as at December 31, 2015
Strategic shareholding	851,248,984	64.5%	851,248,984	64.5%	64.5%
Directors' direct shareholding	4,473,655	0.3%	4,473,655	0.3%	0.3%
Staff schemes	–	–	–	–	–
Free float	464,277,361	35.2%	464,277,361	35.2%	35.2%
Total	**1,320,000,000**	**100.0%**	**1,320,000,000**	**100.0%**	**100.0%**

7.5 Share range analysis

Share range as at December 31, 2016	Number of shareholders	Percentage of shareholders	Number of units held	Percentage shareholding
1 – 500	2,246	20.9%	430,861	0.0%
501 – 1000	1,090	10.1%	803,529	0.1%
1,001 – 5,000	3,476	32.3%	8,905,461	0.7%
5,001 – 10,000	1,674	15.6%	11,905,101	0.9%
10,001 – 25,000	1,196	11.1%	18,566,669	1.4%
25,001 – 100,000	804	7.5%	37,369,902	2.8%
100,001 – 500,000	204	1.9%	41,132,491	3.1%
500,001 – 1,000,000	22	0.2%	16,006,141	1.2%
1,000,001 – and above	44	0.4%	1,184,879,845	89.8%
Total	**10,756**	**100.0 %**	**1,320,000,000**	**100.0%**

Corporate Social Responsibility	₦
Education	2,010,000
Health	6,755,580
Youth Sports	2,325,000
Community Development	28,092,232
Emergency Response	11,099,852
Total	**50,282,664**

8. Property, plant and equipment

Significant movements in properties, plants and equipment constituting the PPE of the Group during the year are indicated in Note 14 on page 90. In the opinion of the Directors, the market value of the properties, plants and equipment is not less than the value shown in the accounts.

9. Donations and CSR initiatives

During the year 2016, the Company undertook Corporate Social Responsibility (CSR) initiatives shown in the table above and made donations shown in the table on page 23 valued at ₦5.1 million (2015: ₦6.5 million).

In compliance with S38(2) of CAMA no donation was made to any political party, political association or for any political purpose.

10. Research and development

Research, development and deployment of leading-edge construction and engineering technologies, design and methodologies are key to Julius Berger Nigeria Plc and its subsidiaries. The Group would continue to invest in research and development in order to enhance its design, planning, execution, construction and local engineering capabilities to deliver on client requirements innovatively.

11. Technical service and knowhow agreement

Technical services agreements executed between components in the Group and Julius Berger International GmbH, are registered with the National Office for Technology / Acquisition and Promotion (NOTAP).

Donations	₦
Nigerian Academy of Engineers	2,000,000
Nigerian Stock Exchange Charity Run	1,000,000
Federation of Construction Industry AGM	500,000
Ladies Golf Championship, Abuja	500,000
Giving Tuesday Cancer Centre	500,000
Nigerian Society of Engineers	250,000
Environmental Protection Agency Tree Planting Campaign	200,000
Nigerian Bar Association Conference	150,000
Total	**5,100,000**

12. Suppliers

The significant suppliers to the Company domestically and internationally are:

- Julius Berger International GmbH
- Lafarge Africa Plc
- Mantrac Nigeria Ltd.
- Abumet Nigeria Ltd.
- Dangote Cement Industries Ltd.
- Samofaz Nigeria Ltd.
- Tabson Nigeria Ltd.
- Federated Steel Mills Ltd.
- Apex Paint Ltd.
- Ringardas Nigeria Ltd.
- Peri Formwork + Scaffolding Nig. Ltd.
- Forte Oil Plc

13. Post year end events

Save as disclosed, there were no significant post year end events that could have had a material effect on the Financial Statements for the year ended December 31, 2016, which has not been adequately provided for.

14. Human capital management

Employee relations were stable and cordial in the year under review.

14.1 Employment of physically challenged persons

It is the policy of the Group that there should be no unfair discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at December 31, 2016, there were 34 physically challenged persons employed by the Group.

14.2 Health and safety at work and welfare of employees

The nature of Group activities demand that a high priority is placed on the health, safety and welfare of employees as well as all visitors in all aspects of Group operations.

To this end, there is a strict observance of health and safety policies, regulations and structures. Further, medical facilities are provided to all staff and their immediate families, comprising a spouse and four children, in accordance with the welfare schedule agreed with the operating domestic workers unions as well as the provisions of the National Health Insurance Scheme Act CAP N 42, Laws of the Federation of Nigeria 2004.

In the Group, there is full compliance with the provisions of the Pensions Reform Act of 2014.

Julius Berger Nigeria Plc AR & FS 2016 | Directors' Report

14.3 Involvement and training

The consultation machinery for the dissemination of information and involvement in matters concerning the staff and corporate affairs was engaged by all components within the Group.

Training and education are key to the retention of skills and expertise within the Group. The Group is committed to investments in ensuring the required skills set for its business and operation.

15. Statutory Audit Committee

The members of the Statutory Audit Committee, appointed at the AGM held on June 16, 2016, in accordance with S359 (3) of CAMA were:

- Sir Sunday Nnamdi Nwosu, KSS, Chairman
- Chief Timothy Ayobami Adesiyan, Member
- Brig. Gen. Emmanuel Ebije Ikwue, GCON, Member
- HRH Igwe Peter Nwokike Anugwu, JP, OFR, Member
- Engr. Jafaru Damulak, Member
- Dr. Ernest Nnaemeka Azudialu-Obiejesi, Member

The Committee met in accordance with the provisions of S359 of CAMA and will present its report.

16. Auditors

The Auditors, Messrs. Nexia-Agbo Abel & Co. have indicated their willingness to continue in office. A resolution will be proposed authorising the Directors to determine their remuneration.

17. Compliance with regulatory requirements

The Directors confirm that they have reviewed the structures and activities of the Company in view of the regulations of the Securities and Exchange Commission (SEC), the NSE (the Regulators) and the Code of Corporate Governance of the SEC (the Code). The Directors confirm that, to the best of their knowledge and as at the date of this report, the Company has been and is in substantial compliance with the provisions of the Code and the regulatory requirements of the Regulators.

By order of the Board,

Mrs. Cecilia Ekanem Madueke
Company Secretary

10 Shettima A. Munguno Crescent
Utako 900 108 | FCT Abuja

March 15, 2017

Note: The Company Secretary was granted a waiver by the Financial Reporting Council of Nigeria to sign the Directors' report without indicating any FRC number.

Corporate Governance

The Board and Management of Julius Berger Nigeria Plc have put in place structures, procedures and systems, to ensure substantial compliance with CAMA, its Memorandum and Articles of Association, the Code and the requirements of all Regulators.

The Corporate Governance structures, procedures and systems are premised on dynamism.

1. The Board of Directors

As at December 31, 2016, the Board comprised of nine members, six of whom were Non-Executive Directors, one of whom is the Chairman and another the Independent Director, and three Executive Directors. Profiles of the Directors, in particular the Directors standing for re-election, are stated on page 13 in this document.

The Board meets at least once every quarter as the needs of the Company may determine. There is provision in the Articles of Association for meetings of the Board or its Committees by electronic communications as well as decisions of the Board or Committees by resolutions in writing.

The Board met four times in the financial year 2016. Attendance by the Directors is as stated on page 27.

Apart from the legal and regulatory requirements, there are no specific requirements for qualification for board membership. However, the Company strives to ensure the right mix that is necessary to effectively discharge board functions. Directors are appointed to the Board by the shareholders in General Meeting.

The Board reserves to itself certain powers, duties and responsibilities and has delegated authority and responsibility for the day to day running of the Company to the Managing Director ably assisted by the Executive Management.

In line with global best practice, the roles of the Chairman and Managing Director are separate and clearly defined. The Chairman is responsible for board leadership whilst the Managing Director is responsible for the day to day running of the Company, on behalf of the Board.

In discharging its oversight responsibilities, the Board makes use of various committees, standing and ad-hoc. Each committee has an in-depth focus on a particular area of the Board's responsibility and provides informed feedback and advice to the Board. The activities of each of the board committees relate to the affairs of the Group and are guided by the various objectives and stated Terms of References of the committees.

The Board has access to the advice and services of the Company Secretary who provides a point of reference and support for all Directors and, if required, the advice and services of other professionals where such advice will improve the quality of their contribution to Board decision making.

Director	Designation	March 16, 2016	June 16, 2016	October 5, 2016	December 8, 2016
AVM (Dr.) Mohammed Nurudeen Imam, CFR	Chairman	•	R	R	R
Mr. Mutiu Sunmonu, CON *	Chairman	•	•	•	•
Engr. Heinz Stockhausen	Vice Chairman	•	•	•	•
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Independent Director	•	•	•	•
Engr. Jafaru Damulak	Director	•	•	•	•
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Director	•	•	•	•
Mr. George Marks	Director	•	•	•	•
Engr. Wolfgang Goetsch	Managing Director	•	•	•	•
Mr. Wolfgang Kollermann	Financial Director	•	•	•	•
Alhaji Zubairu Ibrahim Bayi	Director Administration	•	•	•	•
Mr. David Herron	Director Operations	•	R	R	R

Key: • Present; R Resigned; *Chairman with effect from April 1, 2016

The following standing committees, which are tailored to the Company's businesses, have been established:

1.1 Risk and Asset Management Committee

This committee is responsible for:

- The review and evaluation of real estate needs of the Group
- The review and evaluation of the financing needs of the Group
- The review and evaluation of investment made by the Group
- Evaluation and approval of third party arrangements
- Approval of projects and the underlying proposals

This committee met four times in the financial year ended December 31, 2016. The membership of the committee and the attendance by members at meetings is as stated on page 28:

Risk and Asset Management Committee	Designation	March 16, 2016	June 15, 2016	October 24, 2016	December 7, 2016
Mr. Mutiu Sunmonu, CON	Chairman	▪	▪	▪	▪
Mr. George Marks	Member	▪	▪	▪	▪
Engr. Wolfgang Goetsch	Member	▪	▪	▪	▪
Mr. Wolfgang Kollermann	Member	▪	▪	▪	▪

Key: ▪ Present

1.2 Board Audit Committee

This committee is responsible for:

- The review and integrity of Financial Statements of the Company, including the annual, half-year and quarterly reports and accounts
- The review and implementation of the Company's internal control and financial control systems and approved policies
- Ensuring that the internal audit function of the Company is established and objective
- Overseeing the Risk Management Systems
- The review of the whistle blowing structures and policies of the Company
- The review and approval of the Company's CSR obligations
- The oversight of related party disclosures

This committee met four times in the financial year ended December 31, 2016. The membership of the committee and the attendance by members at meetings is as stated on page 29.

Members of Management are invited to attend to brief the committee on agenda items related to their areas of responsibilities from time to time.

Board Audit Committee	Designation	January 27, 2016	April 28, 2016	July 23, 2016	October 28, 2016
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Chairman	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪

Key: ▪ Present

Remuneration Committee	Designation	March 17, 2016	June 17, 2016
Engr. Heinz Stockhausen	Chairman	▪	▪
Engr. Jafaru Damulak	Member	▪	▪

Key: ▪ Present

1.3 Remuneration Committee

This committee is responsible for:

- Top level establishment issues particularly on selection, appraisal, compensation and corporate succession planning, matters relating to board(s) nominations and appointments, composition, performance and appraisal
- Remuneration and reward-based budgeting and strategies
- Review and establishment of human relations policies

This committee met two times in the financial year ended December 31, 2016. The membership of the committee and the attendance by members at meetings is as stated above.

The Remuneration Committee of the Board is comprised only of Non-Executive Directors.

Statutory Audit Committee	Designation	March 16, 2016	July 26, 2016	October 26, 2016	December 7, 2016
Chief Timothy Ayobami Adesiyan - Chairman of the Committee until July 26, 2016	Chairman / Member	▪	▪	▪	▪
Sir Sunday Nnamdi Nwosu, KSS - appointed Chairman of the Committee on July 26, 2016	Chairman / Member	▪	▪	▪	▪
Brig. Gen. Emmanuel Ebije Ikwue, GCON	Member	▪	▪	▪	▪
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Member	▪	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Member	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪

Key: ▪ Present

2. Statutory Audit Committee

This committee is a statutory creation, established in strict compliance with S359 (3) of CAMA, whose role has been expanded by the expectations of the Code.

The committee's responsibilities are also stated in S359 of CAMA.

Membership of the committee is comprised of three shareholders and three directors who were appointed for the financial year 2016 at the AGM held on June 16, 2016.

This committee met four times in the financial year ended December 31, 2016. The membership of the committee and the attendance by members in the financial year ended December 31, 2016, is as stated above.

The chairman of this committee is always a shareholder.

Members of Management are invited to attend to brief the committee on agenda items related to their areas of responsibilities from time to time.

All the committees report directly to the Board regarding committee activities, issues and related recommendations and decisions, while the Audit Committee is further required to issue a report to the shareholders in the terms specified by CAMA.

Save for the Statutory Audit Committee, the Board has the sole responsibility for determining the responsibility, membership and chair of these committees.

Attendance of Directors at AGM	June 16, 2016
AVM (Dr.) Mohammed Nurudeen Imam, CFR	×
Engr. Heinz Stockhausen	▪
HRH Igwe Peter Nwokike Anugwu, JP, OFR	▪
Engr. Jafaru Damulak	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	▪
Mr. George Marks	▪
Engr. Wolfgang Goetsch	▪
Mr. Mutiu Sunmonu, CON	▪
Engr. Detlev Lubasch	▪
Mr. Wolfgang Kollermann	▪
Alhaji Zubairu Ibrahim Bayi	▪
Mr. David Herron	×

Key: ▪ Present; × Retired/resigned

3. The shareholders

The Board of Directors is accountable to shareholders for its performance and that of the Company.

Shareholders have the opportunity at Members General Meetings, duly convened according to the requirements of CAMA, and other informal fora, to review the activities of both the Company and the Directors and express their opinion thereon.

In the financial year 2016, the members met in Annual General Meeting on June 16, 2016. 163 shareholders, five proxies and 115 observers, representatives of Regulators and members of the press were present at the close of Meeting. Attendance by the Directors is as stated above.

4. The Management

Management is responsible for the day to day management of the Group and is accountable to the Board for its performance and implementation of strategy and policies.

Management consists of three Executive Directors, as well as the Heads of Divisions and Departments. Management executes its responsibilities within the limits set for it by the Board, which periodically reviews its performance.

5. Subsidiary governance

Through the establishment of systems and processes, all companies in the Group reflect the same values, ethics, controls and processes while remaining independent in the conduct of business and compliance with extant regulations.

6. Specific disclosure requirements of the Regulators

6.1 Insider trading and price sensitive information

In relation to dealings in the shares of the Company, Julius Berger Nigeria Plc has a Securities Trading Policy approved by the Board on March 18, 2015, regarding securities transactions by its employees and Directors and their connected persons as well as those in possession of market sensitive information on terms no less exacting than the required standards set out in the Rules of the NSE. The Directors and employees, in the financial year 2016, complied with the required standard set out in the Rules and in the Securities Trading Policy.

6.2 Complaints management framework

In compliance with the rules and regulations of the SEC and NSE, the Company, Julius Berger Nigeria Plc, has in place a Complaints Management Policy approved by the Board on September 29, 2015, which establishes procedures for the complaints management process in the Group.

Both documents are published on and can be downloaded from the website of the Company at www.julius-berger.com.

Risk Management

"Julius Berger Nigeria Plc Risk Management System holistically identifies the likelihood of risks, analyses and determines their impacts and supports the development of appropriate management response"

Julius Berger Nigeria Plc and its subsidiaries' Risk Management System provides a thorough framework for proactive identification, documentation assessment and control of risk exposure.The system includes analysis and monitoring mechanisms to support prudent decision making, thereby minimising potential negative impact on the Group's business. Identified risks, which pose the greatest threat, in terms of both likelihood and consequence, are as follows:

Market risk

Julius Berger Nigeria Plc and the majority of its subsidiaries work in Nigeria and for Nigeria. As such, the business of the Group is largely dependent on the overall economic environment and financial framework of the country. As an emerging market, political and social challenges play a major role in the market situation of Nigeria. Macroeconomic shifts and global developments also have significant influences.

Credit and liquidity risk, interest rate risk and currency risk, as has been seen with the adverse exchange rate shifts in Nigeria, are counterbalanced through planning and monitoring instruments, including a high degree of diversification and a medium-low risk predictive portfolio profile.

Operational risk

The inherently complex and dynamic nature of construction, which involves multiple processes and various stakeholders, results in a high degree of operational risks. Such risks include the selection of clients, the establishment of subsequent conditions, such as contractual parameters, the project-specific competence and capacity of the Group as well as payment planning and security. Procurement of materials and machinery, logistics and human resources as well as environmental factors must also be assessed and managed.

A multifaceted project-controlling framework is used to regulate such risks. Additionally, throughout the life of the project, contracts are continuously subjected to commercial, technical and legal review.

Legal risk

Julius Berger Nigeria Plc and its subsidiaries maintain a high level of awareness to mitigate and manage legal risks in the Group's activities. All business activities abide by Nigerian law and regulation, with consideration of the developing legal framework of industry-specific legislation and ordinances

The Group's Compliance System aims to identify non-compliant events, which are actively confronted and seriously investigated. This includes implementation of a Complaints Management and Whistle Blowing Policy, which provide opportunity for all employees and business partners to raise genuine concerns, in good faith, without fear of reprisal.

Information technology risk

Julius Berger Nigeria Plc and its subsidiaries have adopted systems to meet the fundamental objective of ensuring the security, confidentiality, integrity and availability of its information assets. In order to prevent unauthorised access or data loss and to guarantee the permanent availability of the Group's systems, resources are allocated to technical installations that protect the Group's information technology.

Information technology structures are largely standardised, software products in use are those of leading producers and applicable security guidelines are regularly adapted to the latest technical developments.

Environmental and reputational risk

Accidents on project sites, damage to the environment, actual or alleged deficits and errors in the Group's performance as well as compliance violations are risks that could affect the financial position of Julius Berger Nigeria Plc and its subsidiaries and / or damage the Group's reputation.

These risks are counteracted through open communication and cooperation with clients and host communities and through the implementation and prioritisation of Health, Safety, Environment and Quality Management Policies and Procedures, across all activities, products and services.

Lagos–Ibadan Dual Carriageway, Section 1, Lagos–Shagamu

Financial Information

for the Year Ended December 31, 2016

Statement of Directors' Responsibilities

By the provisions of S334 and S335 of CAMA, the Directors are responsible for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Group, and of the profit or loss at the end of each financial year. The Directors are required by the provisions of the Code to issue this statement in connection with the preparation of the Financial Statements for the year ended December 31, 2016.

In compliance with the provisions of CAMA, the Directors must ensure that:

- Proper accounting records are maintained.
- Applicable accounting standards are followed.
- Suitable accounting policies are adopted and consistently applied.
- Judgement and estimates made are reasonable and prudent.
- The going concern basis is used, unless it is inappropriate to presume that the Group will continue in business.
- Internal control procedures are instituted, which as far as is reasonably possible, are adequate, safeguard the assets and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the preparation of these Financial Statements, which have been prepared in compliance with:

- the provisions of CAMA;
- the provisions of the Financial Reporting Council of Nigeria (FRCN), Act No. 6 of 2011;
- the published accounting and financial reporting standard issued by the FRCN Act;
- the regulations of the SEC and
- the regulations and listing requirements of the NSE.

The Directors have made an assessment of the Group's ability to continue as a going concern based on the supporting assumptions stated in the Financial Statements and have every reason to hold that the Group will remain a going concern in the financial year ahead.

Signed on behalf of the Board of Directors by,

Mr. Mutiu Sunmonu, CON
Chairman
FRC / 2014 / IODN / 00000006187

Engr. Wolfgang Goetsch
Director
FRC/2014/NSE/00000006484

March 15, 2017

Certification of Financial Statements

Pursuant to S7 (2) of the FRCN Act, 2011, we have reviewed the Annual Reports and Financial Statements of Julius Berger Nigeria Plc and its consolidated subsidiaries for the year ended December 31, 2016.

Based on our knowledge, our Financial Statements do not contain any untrue statement of a material fact or omit to state a material fact necessary and are not misleading with respect to the period covered by the report.

The Code of Ethics and Statement of Business Practices formulated by the Board has been implemented as part of the corporate governance practices of the Group throughout the period of intended reliance, and the Directors and Key Executives of the Group had acted honestly, in good faith and in the best interests of the whole Group.

Our Financial Statements, and other financial information included therein, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the period presented in the Financial Statements.

We are responsible for designing the internal controls and procedures surrounding the financial reporting process and assessing these controls (as required by S7 (2) (f) of the FRCN Act) and have designed such internal controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the Group is made known to us by others within those entities, particularly during the period in which this report is being prepared. The controls, which are properly designed, have been operating effectively in the period of intended reliance.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief the information contained in the Financial Statements of our Group for the year ended December 31, 2016, appear to be true, correct and up to date.

Engr. Wolfgang Goetsch
Director
FRC/2014/NSE/00000006484

Mr. Wolfgang Kollermann
Financial Director
FRC/2012/ANAN/00000000396

March 15, 2017

Report of the Statutory Audit Committee

In compliance with S359 (6) of CAMA, we, the members of the Statutory Audit Committee whose names are stated hereunder, have reviewed and considered the Auditor's Report required to be made in accordance with S359 (3) of CAMA, the consolidated audited Financial Statements of the Group for the year ended December 31, 2016, and the reports thereon, confirm as follows:

- The accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.
- The scope and planning of audit requirement were in our opinion adequate.
- We have reviewed the findings on Management matters, in conjunction with the External Auditors, and are satisfied with the response of Management thereon.
- The systems of accounting and internal controls for the Group are adequate.
- We have made the recommendations required to be made in respect of the External Auditors.

Members of the Statutory Audit Committee

- Sir Sunday Nnamdi Nwosu, KSS
- Chief Timothy Ayobami Adesiyan
- Brig. Gen. Emmanuel Ebije Ikwue, GCON
- HRH Igwe Peter Nwokike Anugwu, JP, OFR
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi

Signed on behalf of the Committee by,

Sir Sunday Nnamdi Nwosu, KSS
Chairman of the Statutory Audit Committee
FRC / 2014 / IODN / 00000006788

March 14, 2017

Note: The Chairman of the Statutory Audit Committee, not being a professional member of an accounting body established by the Act of the National Assembly in Nigeria, was granted a waiver by the Financial Reporting Council of Nigeria to sign the Report of the Statutory Audit Committee.

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Agbo Abel & Co

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF JULIUS BERGER NIGERIA PLC
ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Julius Berger Nigeria Plc and its subsidiaries** which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information set out on pages 44 to 115.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Julius Berger Nigeria Plc and its subsidiaries** as at 31 December 2016 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on

Revenue recognition	
See note 3.6 and note 6 to the consolidated financial statements.	
Key audit matter	**How our audit addressed the matter**
Revenue is a significant measure of the performance of the group. There is a risk of misstatement of revenue due to inadequate cut-off procedures or wrong application of IAS 11 (IFRS 15).	- Our audit procedures include testing of the design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions. - We obtained and reviewed contract documents to ensure revenue were recognised in line with IAS 11 (IFRS 15). - We performed substantive analytical procedures and investigated differences in excess of the threshold. - We reviewed basis of valuation of foreign denominated contracts. - We performed cut-off tests to ensure that revenue were not under/over stated.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Company and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and its subsidiaries or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In compliance with the requirements of the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) the Company and its subsidiaries have kept proper books of account, so far as appears from our examination of those books; and
iii) the consolidated statements of financial position and comprehensive income are in agreement with the books of account and returns.

Tolulope Fasanya - FRC/2012/ICAN/00000000109
for: **Nexia Agbo Abel & Co**
Chartered Accountants
Abuja, Nigeria
15th March 2017

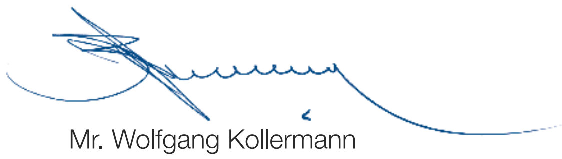
INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
SS/ICAN
0019218

Julius Berger Nigeria Plc AR & FS 2016 | Statement of Financial Position

Statement of Financial Position

These Financial Statements on pages 44 to 115 were approved by the Board of Directors on March 15, 2017 and signed on its behalf by:

Engr. Wolfgang Goetsch
Director
FRC/2014/NSE/00000006484



Mr. Wolfgang Kollermann
Financial Director
FRC/2012/ANAN/00000000396

The accounting policies on pages 60 to 78 and notes on pages 79 to 115 form part of these Financial Statements.

	Note	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Assets					
Non-current assets					
Property, plant and equipment	14	49,712,834	58,376,513	47,093,218	55,470,657
Goodwill	16.1	8,348,748	5,041,184	–	–
Other intangible assets	16.2	2,766	32,712	–	–
Investment property	17	2,444,460	2,546,436	2,444,460	2,546,436
Investment in subsidiaries	18	–	–	15,193,398	15,193,398
Trade and other receivables	21	569,619	844,122	550,319	844,122
Tax receivable	22	26,026,032	20,765,642	25,282,312	20,273,902
Deferred tax assets	12.3	5,453,858	10,087,301	5,375,286	9,874,831
Total non-current assets		**92,558,317**	**97,693,910**	**95,938,993**	**104,203,346**
Current assets					
Inventories	19	11,699,526	11,110,116	9,165,557	8,938,423
Amount due from customers under construction contracts	20	33,082,455	27,228,427	29,637,665	27,204,457
Trade and other receivables	21	108,291,146	88,634,246	108,507,194	90,554,805
Tax receivable	22	1,417,845	5,566,478	1,395,660	5,235,578
Cash and cash equivalents		10,584,522	13,360,038	6,229,515	10,148,623
		165,075,494	**145,899,305**	**154,935,591**	**142,081,886**
Assets classified as held for sale	15	1,545,121	1,493,055	1,523,825	1,472,823
Total current assets		**166,620,615**	**147,392,360**	**156,459,416**	**143,554,709**
Total assets		**259,178,932**	**245,086,270**	**252,398,409**	**247,758,055**
Equity and liabilities					
Equity					
Share capital	23	660,000	660,000	660,000	660,000
Share premium	23	425,440	425,440	425,440	425,440
Foreign currency translation reserve		7,119,062	419,755	–	–
Retained earnings		17,065,287	22,729,580	12,059,647	17,573,012
Equity attributable to owners of the Company		**25,269,789**	**24,234,775**	**13,145,087**	**18,658,452**
Non-controlling interests		46,526	57,180	–	–
Total equity		**25,316,315**	**24,291,955**	**13,145,087**	**18,658,452**
Non-current liabilities					
Borrowings	25	–	–	–	–
Retirement benefit liabilities	26.2	2,463,491	1,853,781	1,311,668	1,420,945
Deferred tax liabilities	12.3	9,185,562	12,989,322	9,090,213	12,568,459
Amount due to customers under construction contracts	20.1	119,098,895	106,971,355	119,098,895	111,344,506
Provisions	28	454,232	404,308	300,000	300,000
Total non-current liabilities		**131,202,180**	**122,218,766**	**129,800,776**	**125,633,910**
Current liabilities					
Amount due to customers under construction contracts	20.1	24,009,265	32,912,602	23,665,542	28,737,461
Trade and other payables	27	44,015,318	34,596,825	51,191,400	44,125,695
Borrowings	25	33,172,798	24,807,936	33,172,798	24,807,936
Current tax payable	12.2	1,423,923	6,106,748	1,395,660	5,770,100
Retirement benefit liabilities	26.1	39,133	151,438	27,146	24,501
Total current liabilities		**102,660,437**	**98,575,549**	**109,452,546**	**103,465,693**
Total liabilities		**233,862,617**	**220,794,315**	**239,253,322**	**229,099,603**
Total equity and liabilities		**259,178,932**	**245,086,270**	**252,398,409**	**247,758,055**

Julius Berger Nigeria Plc AR & FS 2016 | Statement of Profit or Loss and Other Comprehensive Income

Statement of

Profit or Loss and Other Comprehensive Income

	Note	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Revenue	6	138,993,752	133,807,574	119,813,392	119,242,541
Cost of sales		(84,767,291)	(91,473,106)	(81,127,668)	(81,209,011)
Gross profit		**54,226,461**	**42,334,468**	**38,685,724**	**38,033,530**
Marketing expenses		(53,327)	(75,140)	(45,408)	(66,355)
Administrative expenses		(37,380,880)	(30,445,734)	(19,549,439)	(30,650,717)
Operating profit		**16,792,254**	**11,813,594**	**19,090,877**	**7,316,458**
Investment income	7	284,681	139,763	86,502	3,678,068
Other gains and losses	8	1,443,523	695,388	(398,143)	1,388,584
Finance cost	9	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
Foreign exchange acquisition loss		(14,234,241)	–	(14,234,241)	–
(Loss)/Profit before tax	10	**(1,498,029)**	**6,499,973**	**(1,239,251)**	**6,234,338**
Income tax expense	12.1	(2,318,763)	(4,059,833)	(2,416,959)	(3,397,666)
(Loss)/Profit for the year		**(3,816,792)**	**2,440,140**	**(3,656,210)**	**2,836,672**
Other comprehensive income for the year net taxes					
Actuarial gains/(Losses) on retirement benefits		122,845	(180,372)	122,845	(180,372)
Irreversible to income statement					
Differences on translating foreign operations		6,699,307	(499,656)	–	–
Total comprehensive income		**3,005,360**	**1,760,112**	**(3,533,365)**	**2,656,300**
Attributable to					
Owners of the Company		3,015,014	1,759,887	(3,533,365)	2,656,300
Non-controlling interests		(9,654)	225	–	–
Total comprehensive income		**3,005,360**	**1,760,112**	**(3,533,365)**	**2,656,300**
Earnings per share					
Basic earnings per share	13	**2.28**	**1.33**	**(2.68)**	**2.01**
Diluted earnings per share	13	**2.28**	**1.33**	**(2.68)**	**2.01**

Julius Berger Nigeria Plc AR & FS 2016 | Statement of Changes in Equity

Statement of

Changes in Equity

Group	Share capital ₦ 000	Share premium ₦ 000	Foreign currency translation reserve ₦ 000	Retained earnings ₦ 000	Attributable to owners of the Company ₦ 000	Attributable to non-controlling interest ₦ 000	Total equity ₦ 000
Balance at January 1, 2016	660,000	425,440	419,755	22,729,580	24,234,775	57,180	24,291,955
Loss for the year	–	–	–	(3,807,138)	(3,807,138)	(9,654)	(3,816,792)
Other comprehensive income (net of tax)	–	–	6,699,307	122,845	6,822,152	–	6,822,152
Total comprehensive income	**–**	**–**	**6,699,307**	**(3,684,293)**	**3,015,014**	**(9,654)**	**3,005,360**
Issued share capital	–	–	–	–	–	–	–
Issued share capital (subsidiaries – non-controlling interest)	–	–	–	–	–	–	–
Dividends to shareholders	–	–	–	(1,980,000)	(1,980,000)	(1,000)	(1,981,000)
Balance at December 31, 2016	**660,000**	**425,440**	**7,119,062**	**17,065,287**	**25,269,789**	**46,526**	**25,316,315**

Company	Share capital ₦ 000	Share premium ₦ 000	Foreign currency translation reserve ₦ 000	Retained earnings ₦ 000	Attributable to owners of the Company ₦ 000	Attributable to non-controlling interest ₦ 000	Total equity ₦ 000
Balance at January 1, 2016	660,000	425,440	–	17,573,012	18,658,452	–	18,658,452
Loss for the year	–	–	–	(3,656,210)	(3,656,210)	–	(3,656,210)
Other comprehensive income (net of tax)	–	–	–	122,845	122,845	–	122,845
Total comprehensive income	**–**	**–**	**–**	**(3,533,365)**	**(3,533,365)**	**–**	**(3,533,365)**
Issued share capital	–	–	–	–	–	–	–
Dividends to shareholders	–	–	–	(1,980,000)	(1,980,000)	–	(1,980,000)
Balance at December 31, 2016	**660,000**	**425,440**	**–**	**12,059,647**	**13,145,087**	**–**	**13,145,087**

Julius Berger Nigeria Plc AR & FS 2016 | Statement of Cash Flows

Statement of
Cash Flows

	Note	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Cash flows from operating activities					
Cash receipts from customers		196,614,015	159,503,327	128,542,794	131,940,871
Cash paid to suppliers and employees		(188,119,372)	(150,117,936)	(120,994,324)	(116,985,876)
Cash provided by operating activities		**8,494,643**	**9,385,391**	**7,548,470**	**14,954,995**
Cash paid for taxes		(544,849)	(391,554)	(534,522)	(378,111)
Foreign exchange acquisition loss		(14,234,241)	–	(14,234,241)	–
Net cash generated/(used in) by operating activities	29	**(6,284,447)**	**8,993,837**	**(7,220,293)**	**14,576,884**
Cash flows from investing activities					
Purchase of PPE	14	(695,586)	(3,527,214)	(684,798)	(2,036,091)
Investment in subsidiary		–	–	–	(2,061,817)
Investment property		–	–	–	–
Interest received	7	284,681	139,763	86,502	139,763
Dividend received		–	–	–	3,538,305
Proceeds from disposal of PPE		6,600,810	3,349,496	6,580,455	3,344,542
Net cash generated/(used in) investing activities		**6,189,905**	**(37,955)**	**5,982,159**	**2,924,702**
Cash flows from financing activities					
Repayment of loans	25.2.1	(3,281,590)	(2,860,492)	(3,281,590)	(2,860,492)
Interest paid	9	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
Dividends paid		(1,980,000)	(2,998,988)	(1,980,000)	(2,998,988)
Net cash used in financing activities		**(11,045,836)**	**(12,008,252)**	**(11,045,836)**	**(12,008,252)**
Net (decrease)/increase in cash and cash equivalents		**(11,140,378)**	**(3,052,369)**	**(12,283,970)**	**5,493,334**
Cash and cash equivalents at beginning of year		(11,447,898)	(8,395,529)	(14,659,313)	(20,152,647)
Cash and cash equivalents at end of year	29.1	**(22,588,276)**	**(11,447,898)**	**(26,943,283)**	**(14,659,313)**
Cash and cash equivalents consist of					
Cash and bank balances		10,584,522	13,360,038	6,229,515	10,148,623
Borrowings (bank overdrafts)		(33,172,798)	(21,526,346)	(33,172,798)	(21,526,346)
Term loans		–	(3,281,590)	–	(3,281,590)
	29.1	**(22,588,276)**	**(11,447,898)**	**(26,943,283)**	**(14,659,313)**


Azura-Edo Independent Power Plant, Benin City

Notes to the Financial Statements

for the Year Ended December 31, 2016

General Information

1. General information

Julius Berger Nigeria Plc was incorporated as a private limited liability company on February 18, 1970. The Company subsequently converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange on September 20, 1991. It is registered in Nigeria with registration number 6852. The address of its registered office and principal place of business is disclosed in the introduction to the AR & FS. The principal activities of the Company and its subsidiaries are described in Notes 18 and 31.1 to the Financial Statements.

Application of IFRS Standards

2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the year ended December 31, 2016

The following revisions to accounting standards and pronouncements were issued and effective at the reporting date:

IFRS 14 Regulatory Deferral Accounts[a]

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The standard is available only to first-time adopters who recognise regulatory deferral account balances under previous Generally Accepted Accounting Principles (GAAP). IFRS 14 permits eligible first–time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes and requires separate presentation of regulatory deferral account balances in the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income.

This standard did not impact on the Group Financial Statements as the Group had since adopted IFRS.

Accounting for acquisitions of interests in joint operations (amendments to IFRS 11)[b]

The amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 13 Business Combination. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 13 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment of cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied.

This standard did not impact on the Group Financial Statements as there are no joint operations in the Group.

Clarification of acceptable methods of depreciation and amortisation (amendments to International Accounting Standards (IAS) 16 and IAS 38)[c]

Amendments to IAS 16 prohibit entities from using a revenue depreciation method for items of PPE while IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The presumption could only be rebutted in only two rare circumstances.

Required to be implemented for periods beginning on or after
a January 1, 2016
b January 1, 2016
c January 1, 2016

The Group does not use any of the two methods respectively addressed in IAS 16 and IAS 38 as such the standard did not impact on the Group Financial Statements.

Equity Method in Separate Financial Statements (Amendments to IAS 27)[d]

The amendments to IAS 27 is to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in the separate financial statements.

The Group does not intend to consider this amendment, rather it will continue accounting in the separate Financial Statement as disclosed in the accounting policies.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)[e]

Amendments to IFRS 10 and IAS 28 clarifies the treatment of the sale or contribution of asset from an investor to its associate or joint venture, as follows; 1. Full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combination). 2. the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by direct sale of the assets themselves.

This standard did not impact on the Group Financial Statements as there are no joint venture and/or associates in the Group.

Bearer Plants (amendments to IAS 16 and IAS 41)[f]

The amendments define bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as PPE in accordance with IAS 16, instead of IAS 41. Also, bearer plants can be measured using either cost model or the revaluation models set out in IAS 16.

The Groups does not have bearer assets, hence the amendment has no impact on the Group Financial Statements.

Disclosure Initiative (Amendments to IAS 1)[g]

The amendment seek to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; and
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

There is immaterial impact of this amendment to the Group Financial Statement.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)[h]

These amendments to IFRS 10, IFRS 12 and IAS 28 (2011) address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Group does not have any of the above mentioned subsidiaries, as such, there are no impact from the amendments to this standard.

Annual Improvements 2012-2014 Cycle[i]

The annual improvements to IFRSs 2012-2014 cycle includes a number of amendments to various IFRSs. These amendments to IFRS include:

- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.
- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.
- IAS 34 — Clarify the meaning of elsewhere in the interim report and require a cross-reference.

There is immaterial impact of this amendment to the Group Financial Statement.

Required to be implemented for periods beginning on or after
d January 1, 2016
e January 1, 2016
f January 1, 2016
g January 1, 2016

Required to be implemented for periods beginning on or after
h January 1, 2016
i January 1, 2016

2.2 Revisions to accounting standards and pronouncements issued but not effective at the reporting period (Earlier application is permitted in some cases)

IFRS 9: Financial Instruments[j]

IFRS 9 Financial Instruments issued in July 2014, is the International Accounting Standards Board's (IASB) replacement of IAS 39 Financial Instruments: Recognition and Measurement. The IASB completed its project to replace IAS 39 in phases, introducing a fair value through other comprehensive income measurement category for certain simple debt instruments. The completed IFRS 9 as revised in 2014 contains the requirements for:

- The classification and measurement of financial assets and liabilities
- Impairment methodology
- General hedge accounting

The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after January 1, 2018, with early adoption permitted. For periods beginning before January 1, 2018, previous versions of IFRS 9 may be adopted provided the relevant date of initial application is before February 1, 2015.

IFRS 15: Revenue from Contract with Customers[k]

This IFRS establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It is intended to supersede the following standards:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- International Financial Reporting Interpretation Committee (IFRIC) 13 Customer Loyalty Programs
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 18 Transfer of Assets from Customers
- Standard Interpretation Committee (SIC) 31 Revenue Barter Transactions Involving Advertising Services

The new standard introduces a 5-step approach to revenue recognition and measurement with more prescriptive guidance and requirements for extensive disclosures:

Step 1	Step 2	Step 3	Step 4	Step 5
Identify the contract with a customer	Identify the performance obligation	Determine the transaction price	Allocate price to performance obligations	Recognise revenue if obligation is satisfied

Required to be implemented for periods beginning on or after
j January 1, 2018
k January 1, 2018

IFRS 16: Leases[l]

This IFRS specifies how a reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all lease unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating and finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor. Early application of IFRS 16 Leases is permitted only for companies that also apply IFRS 15 Revenue from Contracts with Customers.

Disclosure Initiative (Amendments to IAS 7)[m]

This amends statement of cash flow (IAS 7) to clarify that entities shall provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)[n]

The amendment to IAS 12 on income taxes clarifies the following aspects: unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)[o]

This clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Required to be implemented for periods beginning on or after
l January 1, 2019
m January 1, 2017
n January 1, 2017
o January 1, 2018

Significant Accounting Policies

3. Significant Accounting Policies

3.1 Statement of compliance

The Consolidated and Separate Financial Statements of the Group have been prepared in accordance with IFRS.

3.2 Basis of preparation

The Consolidated and Separate Financial Statements are prepared on a historical cost. The following are the Significant Accounting Policies adopted by the Group in the preparation of these Financial Statements.

The accompanying Consolidated and Separate Financial Statements in Nigerian Naira (the functional currency of the Group) have been prepared in accordance with IFRS as issued by the IASB and adopted by the FRCN and as applicable, the CAMA.

The preparation of FS in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the FS and the reported amounts of revenue and expenses during the reporting period.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

3.3 Basis of consolidation

The Consolidated Financial Statements incorporate the FS of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has right, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in the investee are sufficient to give power, including:

- the size of the Company's holding of the voting rights relative to the size and dispersion of the holding of other vote holders;
- the potential voting rights held by the Company, other holders or other parties;
- the rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statements of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest is having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's Accounting Policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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The subsequent accounting for changes in the fair value of the contingent consideration, that do not qualify as measurement period adjustments, depends on how the contingent consideration is classified. Contingent consideration, that is classified as equity, is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date, that have previously been recognised in other comprehensive income, are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.4.1 Acquisition of interests from non-controlling shareholders

Acquisitions of non-controlling interests are accounted for as transactions within equity. There is no measurement to fair value of net assets acquired that were previously attributable to non-controlling shareholders.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. A cash generating unit, to which goodwill has been allocated, is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced with estimated customer returns, rebates and other similar allowances. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense.

3.6.1 Goods and services

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue represents the net invoice value of sales to third parties and it is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue from rendering of services is recognised in the period the services are rendered. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenues from other income generated from refunds and recoveries by insurance companies and other regulatory bodies are recognised when net cash is received.

3.6.2 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, measured based on the proportion of work completed to date relative to the estimated total contract amount. Variations in contract work, claims and incentive payments are included to the extent that they can be reliably measured and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred, which is probable to be recovered. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3.7 Gross amount due from customers

This represents work-in-progress (valued on the basis of engineers' estimate of the quantum of work done but not yet certified) plus recognised profits, less recognised losses. Claims receivable arising on contracts are normally taken to income when agreed. In the case of unprofitable contracts, full provision is made for anticipated future losses after taking into account a prudent estimate of claims arising in respect of such contracts.

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3.8 Advance payments received

Advanced payments received are amounts received before the related work is performed and are assessed on initial recognition to determine whether it is probable that it will be repaid in cash or another financial asset. In this instance, the advance payment is classified as a non-trading financial liability that is carried at amortised cost. If it is probable that the advance payment will be repaid with goods or services, the liability is carried at historic cost.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.10 Property, Plant and Equipment

PPE are stated at historical cost less accumulated depreciation and impairment, if any.

Self-produced assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, appropriate allocations of materials and other overheads associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Maintenance, repairs, and renewals are generally charged to expense during the financial period in which they are incurred. However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. No depreciation to land and capital work in progress applies. Losses or gains on disposals of assets are recognised in profit or loss under 'other gains and losses'. Depreciation is recognised so as to write-off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis:

	Residual values % on cost	Useful lives Years
Building	10.0	25
Plant & machinery	5.0	10
Other fixed assets	5.0	8

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10.1 Capitalisation

Expenditure related to an acquisition or repair is capitalised only if it extends the useful lives or increases the production capacity of the assets in question. The identification of such expenses is based on a certain criteria identified by Management and/or threshold reviewed from time to time. The criteria as set in the preparation of these FS are as follows:

3.10.1.1 Items to capitalise

- Any purchase of a piece of equipment (i.e. office furniture, machinery, equipment, etc.) of not less than ₦1.5 million
- Expenditures in the nature of repairs of not less than ₦1.5 million
- Computer and related equipment of not less than ₦1.5 million
- Expenditure on building of not less than ₦1.5 million

3.10.1.2 Items to be expensed

- Any item that will not last more than 12 months should be currently expensed when used
- Any purchase of a piece of equipment (i.e. office furniture, machinery, equipment, etc.) that is less than ₦1.5 million
- Expenditures in the nature of repairs can be expensed if less than ₦1.5 million
- Computers and related equipment that is less than ₦1.5 million

3.11 Investment property

All property classified as investment property are measured at cost. Investment property is recognised when it is probable that the Company will enjoy the future economic benefits which are attributable to it, and when the cost or fair value can be reliably measured. Costs include directly attributable expenditure such as legal fees and property transfer taxes.

Transfers to or from investment property is made only when there is a demonstrated "change in use" as a result of a transfer:

- From investment property to owner-occupied property, when owner-occupation commences
- From investment property to inventories, on commencement of development with a view to sale
- From an owner-occupied property to investment property, when owner-occupation ends
- Of inventories to investment property, when an operating lease to a third party commences
- Of property in the course of development or construction to investment property, at end of the construction or development

An investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the disposal or retirement of an investment property is determined as the

difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss for the period.

Depreciation is recognised so as to write-off the cost of investment properties less their residual values over their useful lives, using the straight line method. Where such investment properties are revalued, depreciation is recognised over the useful life of the asset in a pattern which best reflects the consumption pattern over the estimated useful life of such assets.

3.12 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.13 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.13.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

3.13.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated and Separate Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.14 Intangible assets

An intangible asset is an identifiable, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable, the Group has control over the asset, it is probable that economic benefits will flow to the Group, and the cost of the asset can be measured reliably.

3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.14.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised when all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.15 Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

In addition to the cost of materials and direct labour, an appropriate proportion of production overhead that have been incurred in bringing the inventories to their present location and condition is included in the inventory values. An allowance is recorded for excess inventory and obsolescence is based on the lower of cost or net realisable value.

Cost is determined using standard cost, which approximates actual cost, on a First-In-First-Out (FIFO) basis.

3.16 Taxation

Taxation represents the sum of income tax payable and deferred tax.

3.16.1 Income and deferred tax for the year

Income and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income and deferred tax are also recognised in other comprehensive income or directly in equity. Where income tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16.2 Income tax

Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated based on Companies Income Tax Act (CAP C24 LFN 2004) as amended to date and tax rates that have been enacted or substantively enacted by the end of the reporting date.

3.16.3 Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated and Separate Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Provision for deferred taxation is made by the liability method and calculated at the tax rate that applies during the period of reversal on the differences between the net book value of qualifying PPE and their corresponding tax written down values. Also, consideration is given for provision for retirement benefit which have not been paid in the year.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates enacted by the end of the reporting period.

3.17 Foreign currencies

All transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the dates of the transactions. Monetary items are converted to Naira at the rates of exchange ruling at the reporting date. All differences arising there from are taken to the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting Consolidated and Separate Financial Statements, the assets and liabilities of the Group's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

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Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

3.18 Dividends

Dividends on ordinary shares to shareholders are recognised in equity in the period in which they are paid or, if earlier, approved by the shareholders at the AGM.

3.18.1 Unclaimed dividend

Segregated accounts are maintained for unclaimed dividends and are recoverable by shareholders within 12 years and actionable only when declared. Any amounts standing to the credit of unclaimed dividend are invested separately while amounts unclaimed after 12 years are taken to retained earnings in line with CAMA.

3.19 Retirement benefits

3.19.1 Defined contribution plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Retirement benefit plans for members of staff are structured through a defined contributory pension scheme, which is independent of the Group's finances and is managed by Pension Fund Administrators. The scheme, which is funded by contributions from both employees and employer at 8% and 10% respectively, is consistent with the Pension Reform Act 2014.

3.19.2 Defined benefit plan

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out periodically so that a provision for the present value of the estimated cost for liabilities due at the reporting date, in respect of employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement, is being made in the Statement of Financial Position.

3.20 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.20.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.20.1.1 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the “investment income” line item.

3.20.1.2 Classification of financial assets

The Group’s financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity’ investments, ‘available-for-sale’ financial assets and ‘loans and receivables’.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The assets in this category include trade and other receivables, contract receivables and retentions, cash and cash equivalents:

- Trade and other receivables are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. The provision for impairment of trade and other receivables is established, when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given, and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

- Contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. Contract receivables and retentions comprise amounts due in respect of certified or approved certificates by the client or consultant at the reporting date for which payment has not been received, and amounts held as retentions on certified certificates at the reporting date. Contract receivables are stated after deduction of specific allowance for any debt considered doubtful of collection. The allowance for bad and doubtful debts is based on the estimated irrecoverable amount on a specific basis which is determined based on the ageing of the receivable balance, correspondence with the client, economic viability and historical experience. Where a debt is not recoverable, the amount is written off to the profit or loss in the year the debt is deemed to become bad using Management’s prudential guidelines reviewed from time to time.
- Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. All short term cash investments are invested with major financial institutions in order to manage credit risk.

3.20.1.3 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at Fair-Value-Through-Profit and Loss (FVTPL), the foreign exchange component is recognised in profit or loss.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the ‘other gains and losses’ line item in the profit or loss.

3.20.1.4 Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty
- Breach of contract, such as a default or delinquency in interest or principal payments
- The probability that the borrower will enter bankruptcy or financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account.

Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been, had the impairment not been recognised.

3.20.1.5 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as Fair-Value-Through-Other-Comprehensive-Income (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

3.20.2 Financial liabilities and equity instruments

3.20.2.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.20.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.20.2.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at Fair-Value-Through-Profit and Loss (FVTPL)' or 'other financial liabilities'. The Group does not have financial liabilities classified as financial liabilities 'at FVTPL'.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points, paid or received, that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.20.2.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item (Note 8) in the profit or loss

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

3.20.2.5 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.21 Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.22 Related parties

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key Management Personnel are also regarded as related parties. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Executive and Non-Executive Directors. Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

3.23 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the total comprehensive income attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share are calculated using fully diluted shares outstanding (i.e. including the impact of stock option grants and convertible bonds).

3.24 Segment reporting

Segment information is presented in respect of the Group's business segments. The business segments are determined by Management based on the Group's internal reporting structure. The determination of the Group's operating segments is based on the organisation units for which information is reported to the Group's Management. The Group has three segments, Building, Civil and Services. The three segments have separate management and reporting structures and are considered separately reportable operating segments. Certain headquarter activities are reported as "Corporate". These consist of corporate headquarters, including the corporate executive committee, corporate communication, corporate human resources, corporate finance, including treasury, taxes and pension fund management, corporate legal and corporate safety and environmental services.

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A segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are set on an arm's length basis. Operating assets and liabilities consist of PPE, goodwill and intangible assets, trade receivables/ payables, inventories and other assets and liabilities, such as provisions, which can be reasonably attributed to the reported operating segments. Non-operating assets and liabilities mainly include current and deferred income tax balances, post-employment benefit assets / liabilities and financial assets / liabilities such as cash, marketable securities, investments and debt.

3.25 Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.26 Transfer pricing

Transactions between entities in the Group and all connected persons are carried on in a manner consistent with the arm's length principle using the appropriate transfer pricing method.

3.27 Decommissioning provisions

The provision for decommissioning serves to cover the costs associated with the decommissioning of assets. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied for existing obligations are added to or deducted from the cost of the asset. Estimated future costs for decommissioning obligations arising after the related asset is brought into use are recognised in the profit or loss.

3.28 Financial income and cost

Financial income comprises interest income on funds invested, dividend income, net gains on the disposal of held-for-sale financial assets, net fair value gains on financial assets at fair value through profit or loss, net gains on the remeasurement to fair value of any pre-existing available-for-sale interest in an acquiree, and net gains on hedging instruments that are recognised in the profit or loss.

Financial costs on the other hand represent interest on loans, overdraft and related facilities.

Interest income and cost is recognised on accrual basis in the profit or loss, using the effective interest method. Dividend income is recognised in the profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Explanatory Notes

4. Critical judgements areas and estimation of key sources of estimation uncertainty

In the application of the Group's Accounting Policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

4.1 Critical judgments in applying the Group's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's Accounting Policies and that have the most significant effect on the amounts recognised in Financial Statements.

4.1.1 Income taxes

The Group is subject to various forms of taxes. Significant judgement is required in determining the provision for income and other related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.1.2 Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver civil, design and engineering services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

4.1.3 Allowance for doubtful debts/receivables

The Group has recognised allowances for credit losses on receivables by assessing the credit quality of individual customers, receivables that are in dispute, financial standing of customers and the willingness of the customers to pay. Management believes that, except for the receivables on which allowance has been made, all other receivables are recoverable despite their age, because they are mainly due from various government and government entities.

4.1.4 Review of the useful lives of tangible assets

The Directors believe that the consumption pattern on items of PPE is such that the book value is spread equally over the useful life of the assets. The judgment exercised is based on past experience with similar assets, technological obsolescence and declining residual values.

4.1.5 Write down of inventories to net realisable value

Management has written down inventories that are obsolete to a Nil value after considering the non-movements of these inventory items for two years. Write-back of previous allowances on inventory are effected when the items are subsequently put into use.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Provision for gratuity

Within the Group, Julius Berger Nigeria Plc operates an unfunded defined benefit scheme which entitles staff, who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover, and others and financial projections in the area of future salaries and benefit levels, discount rate, inflation and others.

4.2.2 Impairment loss on PPE

Management considered several factors to assess items of PPE for impairment, some of which includes the physical damage caused by accidents, technological obsolescence, idle capacity decline in value and others. The individual assets carrying values were compared with their recoverable amount and impairment losses have been recognised on those assets. In determining fair value less cost to sell, Management has derived fair value information from the sales proceeds received on similar assets. This is the best information available to reflect the amount that the Group could obtain, at the end of the reporting period, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

5. Segmental analysis

The Management is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Management for the purposes of allocating resources and assessing performance. The Management assesses the performance of the operating segments based on a measure of adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA). This measurement basis excludes investment income, finance costs and taxes. These income and expenditures are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Julius Berger Nigeria Plc has three segments which offer civil works, building works and 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 are members of the Management 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.

5.1 Principal segment activities

Civil works

The segment is responsible for provision of professional services in the areas of engineering, construction and maintenance of various infrastructures. These activities are evidence in the realisation of the Abuja Master Plan, and developments in the essential traffic network in and around the cities of Lagos and Uyo. At the coastal areas, the works include the construction of turnkey harbors, wharfs, jetties, loading installations and warehouses. The segment also builds or refurbishes airports in conformity with strict global aviation regulations. For the oil, gas and energy sector, the segment is responsible for design and construction of auxiliary buildings for factories, oil and gas installations and power stations.

Building works

As a leader in its field, the segment has the specialised knowhow needed to construct buildings that meet the Leadership in Energy and Environmental Design (LEED) standards for certification. The segment is responsible for the designing and building of administration, commercial and industrial buildings, hotels, hospitals, airport terminals, sports facilities and residential districts. Under this segment is a furniture production unit, which supplies high quality furniture and interior fittings.

Services

The segment provides forward looking facility management solutions, which ensure the useful life of a building is extended and maintenance costs are significantly reduced. Available through the segment is a computer assisted facility and resource management, aimed at optimising workflow and process controlling and reducing operating costs.

5.2 Segment revenue

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Class of business				
Civil works	72,784,348	75,839,524	72,784,348	72,437,567
Building works	58,872,919	46,644,136	46,857,226	46,633,975
Services	7,336,485	11,323,914	171,818	170,999
Total revenue	**138,993,752**	**133,807,574**	**119,813,392**	**119,242,541**

5.3 Segment profit/(loss) and results

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Class of business				
Civil works	13,040,476	9,174,164	12,047,952	4,617,301
Building works	3,319,109	2,335,041	6,879,489	2,636,521
Services	432,669	304,389	163,436	62,636
Total profit of segments	**16,792,254**	**11,813,594**	**19,090,877**	**7,316,458**
Corporate costs	(12,790,718)	695,388	(14,632,384)	1,388,584
EBITDA	**4,001,536**	**12,508,982**	**4,458,493**	**8,705,042**
Finance costs	(5,784,246)	(6,148,772)	(5,784,246)	(6,148,772)
Adjusted (Loss)/profit before tax	**(1,782,710)**	**6,360,210**	**(1,325,753)**	**2,556,270**
Other items	284,681	139,763	86,502	3,678,068
(Loss)/Profit before income tax	**(1,498,029)**	**6,499,973**	**(1,239,251)**	**6,234,338**

Notes:
1. Corporate costs comprise the costs of operating head office functions and certain overheads.
2. EBITDA is earnings before investment income, finance costs and taxes.
3. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and Directors' salaries, investment income, other gains and losses as well as finance costs. This is the measure reported to the Management for the purposes of resource allocation and assessment of segment performance.

5.4 Information about major customers

Included in the revenue reported by Group are three clients whose individual balances of ₦23.25 billion (2015: ₦32.27 billion), ₦15.59 billion (2015: Nil) and ₦13.86 billion (2015: ₦18.77 billion) represent more than 10% of the total revenue reported by the Group. No other single client contributed 10% or more to the Group's revenue for 2016.

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5.5 Segment assets and liabilities

Group	Segment assets 31/12/2016 ₦000	Segment liabilities 31/12/2016 ₦000	Segment net assets/liabilities 31/12/2016 ₦000	Segment assets 31/12/2015 ₦000	Segment liabilities 31/12/2015 ₦000	Segment net assets/liabilities 31/12/2015 ₦000
Class of business						
Civil works	73,489,537	(75,758,973)	(2,269,436)	67,763,997	(70,804,129)	(3,040,132)
Building works	44,315,208	(46,805,696)	(2,490,488)	40,862,628	(43,744,475)	(2,881,847)
Services	115,439,173	(64,558,809)	50,880,364	106,445,354	(60,336,486)	46,108,868
	233,243,918	**(187,123,478)**	**46,120,440**	**215,071,979**	**(174,885,090)**	**40,186,889**
Net cash	10,584,522	(33,172,798)	(22,588,276)	13,360,038	(24,807,936)	(11,447,898)
Unallocated assets/ (liabilities)	15,350,492	(13,566,341)	1,784,151	16,654,253	(21,101,289)	(4,447,036)
	259,178,932	**(233,862,617)**	**25,316,315**	**245,086,270**	**(220,794,315)**	**24,291,955**

Company	Segment assets 31/12/2016 ₦000	Segment liabilities 31/12/2016 ₦000	Segment net assets/liabilities 31/12/2016 ₦000	Segment assets 31/12/2015 ₦000	Segment liabilities 31/12/2015 ₦000	Segment net assets/liabilities 31/12/2015 ₦000
Class of business						
Civil works	70,656,946	(76,855,394)	(6,198,448)	67,929,667	(74,046,411)	(6,116,744)
Building works	39,929,052	(44,759,223)	(4,830,171)	38,387,836	(43,123,321)	(4,735,485)
Services	113,490,387	(72,341,220)	41,149,167	109,109,787	(69,697,225)	39,412,562
	224,076,385	**(193,955,837)**	**30,120,548**	**215,427,290**	**(186,866,957)**	**28,560,333**
Net cash	6,229,515	(33,172,798)	(26,943,283)	10,148,623	(24,807,936)	(14,659,313)
Unallocated assets/ (liabilities)	22,092,509	(12,124,687)	9,967,822	22,182,142	(17,424,710)	4,757,432
	252,398,409	**(239,253,322)**	**13,145,087**	**247,758,055**	**(229,099,603)**	**18,658,452**

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the Financial Statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Unallocated net assets/(liabilities) principally comprise assets/(liabilities) which are not categorised as part of those of the segments in the group. These are not directly attributable to the activities of the individual segments.

For the purposes of monitoring segment performance and allocating resources between segments the management monitors the tangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments with the exception of current tax assets and deferred taxation assets, current tax liabilities and retirement benefit. Assets used jointly by reportable segments are allocated on a rational basis after considering the revenues earned by individual reportable segments.

6. Revenue

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Construction contracts	131,657,267	120,981,205	119,813,392	119,242,541
Rendering of services	7,336,485	12,826,369	–	–
	138,993,752	133,807,574	119,813,392	119,242,541

7. Investment income

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Investment income consists of interest income from				
Bank deposits	284,681	139,763	86,502	139,763
Dividend received	–	–	–	3,538,305
	284,681	139,763	86,502	3,678,068

8. Other gains and losses

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Profit from sale of PPE	4,495,160	1,696,628	4,504,005	1,695,347
Net foreign exchange losses	(5,704,056)	(367,970)	(4,902,358)	(306,763)
Sundry income	2,652,419	(633,270)	210	–
	1,443,523	695,388	(398,143)	1,388,584

9. Finance costs

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Interest on overdraft	3,961,048	4,306,334	3,961,048	4,306,334
Interest on loan	1,498,676	1,214,931	1,498,676	1,214,931
Other finance charges	324,522	627,507	324,522	627,507
	5,784,246	6,148,772	5,784,246	6,148,772

10. Profit for the year

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Profit/(Loss) for the year has been arrived at after charging/(crediting)				
Net foreign exchange losses	5,704,056	367,970	4,902,358	306,763
Depreciation of PPE	8,976,153	9,744,274	8,675,879	9,499,602
Depreciation of investment property	101,976	101,976	101,976	101,976
Net impairment	(1,617,525)	2,128,374	(1,690,092)	2,128,374
Audit remuneration (see Note 10.1)	96,920	88,025	54,420	48,750
Staff costs (see Note 11)	52,560,237	41,652,397	36,643,791	31,210,927
Gain on disposal of PPE	(4,495,160)	(1,696,628)	(4,504,005)	(1,695,347)

10.1 Auditors' remuneration

The total remuneration of the Group's auditor, Nexia Agbo Abel & Co. and other professional firms for services provided to the Group is analysed below:

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Audit fees				
Parent	52,920	47,250	52,920	47,250
Subsidiaries auditors (Ernst & Young and Akintola Williams Deloitte)	42,500	39,275	–	–
Other audit related fees	1,500	1,500	1,500	1,500
Audit and audit-related fees	**96,920**	**88,025**	**54,420**	**48,750**
Other fees				
Taxation	14,500	11,000	4,500	7,000
Others	250	350	250	250
Total fees	111,670	99,375	59,170	56,000

11. Staff costs and employee numbers

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Wages and salaries	50,904,385	40,183,149	35,883,929	30,109,505
Social security costs	854	1,832	–	–
Defined benefit plans	1,051,880	450,529	242,639	407,270
Defined contribution (pension schemes)	603,118	1,016,887	517,223	694,152
	52,560,237	**41,652,397**	**36,643,791**	**31,210,927**

	Group 31/12/2016 Number	Group 31/12/2015 Number	Company 31/12/2016 Number	Company 31/12/2015 Number
The average number of people employed was as follows:				
Civil works	784	1,122	784	922
Building works	4,621	5,600	4,114	4,838
Services	3,737	4,165	2,990	3,517
	9,142	**10,887**	**7,888**	**9,277**

The average number of employees in the services division includes managerial staff as well as Executive Management.

	Group 31/12/2016 Number	Group 31/12/2015 Number	Company 31/12/2016 Number	Company 31/12/2015 Number
Managerial staff	119	115	91	95
Senior staff	1,001	1,167	387	550
Junior staff	8,022	9,605	7,410	8,632
	9,142	**10,887**	**7,888**	**9,277**

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12. Taxation

12.1 Income tax recognised in profit or loss

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Current tax				
Current tax expense in respect of the current year	1,417,845	5,566,478	1,395,660	5,235,578
Education tax (2 % of assessable profit)	6,078	540,270	–	534,522
Adjustments in relation to the current tax of prior years	65,157	229,778	–	–
Deferred tax				
Deferred tax (credited)/charged in the current year	829,683	(2,276,693)	1,021,299	(2,372,434)
Total income tax expense recognised in the current year	**2,318,763**	**4,059,833**	**2,416,959**	**3,397,666**
The income tax expense for the year can be reconciled to the accounting profit/(Loss) as follows:				
Profit/(Loss) before tax from operations	**(1,498,029)**	**6,499,973**	**(1,239,251)**	**6,234,339**
Expected income tax expense calculated at 30 % (2015: 30 %)	(449,409)	1,936,080	(371,775)	1,870,302
Education tax expense calculated at 2 % (2015: 2 %) of assessable profit	6,078	540,270	–	534,522
Effect of income that is exempt from taxation	(68,805)	(4,900,238)	–	(5,233,652)
Effect of expenses that are not deductible in determining taxable profit	2,001,216	10,958,023	1,767,435	10,971,362
Effect of unrecognised and unused tax losses now recognised as deferred tax assets	–	–	–	–
Effect of different tax rates of subsidiaries and adjustments	–	–	–	–
Deferred tax expense recognised in the current year	829,683	(4,704,080)	1,021,299	(4,744,868)
Income tax expense recognised in profit or loss	**2,318,763**	**3,830,055**	**2,416,959**	**3,397,666**
Adjustments recognised in the current year in relation to the current tax of prior years		229,778	–	–
	2,318,763	**4,059,833**	**2,416,959**	**3,397,666**

The tax rate used for the 2016 and 2015 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act.

12.2 Current tax liabilities

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Income tax payable	1,417,845	5,566,478	1,395,660	5,235,578
Education tax payable	6,078	540,270	–	534,522
	1,423,923	**6,106,748**	**1,395,660**	**5,770,100**

12.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 31/12/2016 ₦000	Group 31/12/2015 ₦000	Company 31/12/2016 ₦000	Company 31/12/2015 ₦000
Deferred tax assets	5,453,858	10,087,301	5,375,286	9,874,831
Deferred tax liabilities	(9,185,562)	(12,989,322)	(9,090,213)	(12,568,459)
Deferred tax liabilities (net)	**(3,731,704)**	**(2,902,021)**	**(3,714,927)**	**(2,693,628)**
The gross movement in deferred taxation during the year				
Balance at beginning of year	2,902,021	5,178,714	2,693,628	5,066,062
Profit or loss charge	792,829	(2,249,637)	984,445	(2,345,378)
Tax charge relating to components of other comprehensive income	36,854	(27,056)	36,854	(27,056)
Balance at end of year	**3,731,704**	**2,902,021**	**3,714,927**	**2,693,628**

The movement in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same tax jurisdiction, is as stated on page 89:

12.4 Deferred tax – Group

Group	Accelerated tax depreciation ₦000	Adjustments and fair value gains ₦000	Others ₦000	Total ₦000
Deferred tax liabilities				
Balance at January 1, 2016	13,824,688	(289,572)	(545,794)	12,989,322
Charged to profit or loss	(4,296,788)	(52,766)	545,794	(3,803,760)
Balance at December 31, 2016	**9,527,900**	**(342,338)**	**–**	**9,185,562**

Group	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2016	(980,633)	(1,015,065)	(8,091,603)	(10,087,301)
Charged to profit or loss	526,258	(3,389,643)	7,459,974	4,596,589
Charged to other comprehensive income	–	–	36,854	36,854
Balance at December 31, 2016	**(454,375)**	**(4,404,708)**	**(594,775)**	**(5,453,858)**

12.5 Deferred tax – Company

Company	Accelerated tax depreciation ₦000	Adjustments and fair value gains ₦000	Others ₦000	Total ₦000
Deferred tax liabilities				
Balance at January 1, 2016	12,667,888	(99,429)	–	12,568,459
Charged to profit or loss	(3,235,337)	(242,909)	–	(3,478,246)
Balance at December 31, 2016	**9,432,551**	**(342,338)**	**–**	**9,090,213**

Company	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2016	(741,702)	(1,003,407)	(8,129,722)	(9,874,831)
Charged to profit or loss	293,245	(3,401,301)	7,570,747	4,462,691
Charged to other comprehensive income	–	–	36,854	36,854
Balance at December 31, 2016	**(448,457)**	**(4,404,708)**	**(522,121)**	**(5,375,286)**

13. Earnings per share

Basic and diluted earnings per share are shown on the face of the statement of profit or loss and other comprehensive income. The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows on page 90:

Earnings per share	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Earnings				
Earnings for the purpose of basic earnings and diluted earnings per share being net profit attributable to equity holders of the Company	3,015,014	1,759,887	(3,533,365)	2,656,300
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,320,000	1,320,000	1,320,000	1,320,000
Earnings per 50 K share (₦) – basic	2.28	1.33	(2.68)	2.01
Earnings per 50 K share (₦) – diluted	2.28	1.33	(2.68)	2.01

14. Property, Plant and Equipment

Group PPE	Land ₦ 000	Buildings ₦ 000	Plant and machinery ₦ 000	Other fixed assets ₦ 000	Total ₦ 000
Cost					
Balance at January 1, 2016	4,976,413	11,325,211	122,351,360	1,422,198	140,075,182
Additions	672,901	–	–	22,685	695,586
Reclassifications	576,473	(576,473)	–	(10,578)	(10,578)
Adjustment and exchange difference	–	(1,847)	(232,750)	509,424	274,827
Disposal	–	–	(13,691,777)	(240,007)	(13,931,784)
Balance at December 31, 2016	6,225,787	10,746,891	108,426,833	1,703,722	127,103,233
Accumulated depreciation					
Balance at January 1, 2016	–	3,846,339	72,219,132	668,903	76,734,374
Charge for the year	–	303,365	7,583,610	1,089,178	8,976,153
Reclassifications	–	1,499	4,240	(15,257)	(9,518)
Adjustment and exchange difference	–	20,950	(194,179)	341,983	168,754
Eliminated on disposals	–	–	(10,717,157)	(1,109,977)	(11,826,134)
Balance at December 31, 2016	–	4,172,153	68,895,646	975,830	74,043,629
Impairment					
Balance at January 1, 2016	–	–	4,964,295	–	4,964,295
Charge for the year	–	–	–	72,567	72,567
Reversal in the year	–	–	(1,690,092)	–	(1,690,092)
Balance at December 31, 2016	–	–	3,274,203	72,567	3,346,770
Carrying amount					
Balance at December 31, 2016	6,225,787	6,574,738	36,256,984	655,325	49,712,834
Balance at December 31, 2015	4,976,413	7,478,872	45,167,933	753,295	58,376,513

Company PPE	Land ₦ 000	Buildings ₦ 000	Plant and machinery ₦ 000	Other fixed assets ₦ 000	Total ₦ 000
Cost					
Balance at January 1, 2016	4,684,488	9,717,547	121,442,852	235,760	136,080,647
Additions	672,901	–	–	11,897	684,798
Reclassifications	576,473	(576,473)	–	–	–
Adjustment	–	–	32,829	(14,764)	18,065
Disposal	–	–	(13,691,777)	(170,009)	(13,861,786)
Balance at December 31, 2016	5,933,862	9,141,074	107,783,904	62,884	122,921,724
Accumulated depreciation and impairment loss					
Balance at January 1, 2016	–	3,703,129	71,718,567	223,999	75,645,695
Charge for the year	–	249,228	7,532,926	893,725	8,675,879
Adjustments	–	–	32,829	(14,764)	18,065
Eliminated on disposals	–	–	(10,717,157)	(1,068,179)	(11,785,336)
Balance at December 31, 2016	–	3,952,357	68,567,165	34,781	72,554,303
Impairment					
Balance at January 1, 2016	–	–	4,964,295	–	4,964,295
Charge for the year	–	–	–	–	–
Reversal in the year	–	–	(1,690,092)	–	(1,690,092)
Balance at December 31, 2016	–	–	3,274,203	–	3,274,203
Carrying amount					
Balance at December 31, 2016	5,933,862	5,188,717	35,942,536	28,103	47,093,218
Balance at December 31, 2015	4,684,488	6,014,418	44,759,990	11,761	55,470,657

14.1 Contractual commitment for capital expenditure

There were no capital commitments for the purchase of PPE in the year.

15. Non-current assets held for sale

At the reporting date, PPE of ₦1.5 billion (2015: ₦1.5 billion) were reclassified as non-current assets held for sale. The assets are taken to the sales yard once it has been determined that their value will be realised from sale and not continuous use in the business operation by the Company's equipment repair centre and sales is expected to be completed within one year.

16. Intangible assets

16.1 Goodwill

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Cost	4,606,412	4,606,412	–	–
Impairment	52,824	–	–	–
Exchange difference	3,689,512	434,772	–	–
	8,348,748	**5,041,184**	**–**	**–**

The purchased goodwill above exist in the books of Julius Berger International GmbH. It is the Group's policy to test goodwill for impairment annually and more frequently if there are indications of impairment. No impairment loss has been recognised as there are no indications that the goodwill is impaired.

16.2 Other intangible assets

	Group licenses ₦ 000	Group Total ₦ 000	Company licenses ₦ 000	Company Total ₦ 000
Cost				
Balance at January 1, 2016	193,028	193,028	–	–
Additions during the year	4,149	4,149	–	–
Balance at December 31, 2016	**197,177**	**197,177**	**–**	**–**
Accumulated amortisation				
Balance at January 1, 2016	160,316	160,316	–	–
Charge for the year	34,095	34,095	–	–
Balance at December 31, 2016	**194,411**	**194,411**	**–**	**–**
Carrying amount				
Balance at December 31, 2016	**2,766**	**2,766**	**–**	**–**
Balance at December 31, 2015	**32,712**	**32,712**	**–**	**–**

The other intangible assets represents software licences acquired as part of the net asset of Julius Berger International GmbH. The amortisation of the useful life of the licenses is three years.

17. Investment property

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Cost				
Balance at January 1	2,742,372	2,742,372	2,742,372	2,742,372
Additions during the year	–	–	–	–
Balance at December 31	**2,742,372**	**2,742,372**	**2,742,372**	**2,742,372**
Accumulated amortisation				
Balance at January 1	195,936	93,960	195,936	93,960
Charge for the year	101,976	101,976	101,976	101,976
Balance at December 31	**297,912**	**195,936**	**297,912**	**195,936**
Carrying amount				
Balance at December 31	**2,444,460**	**2,546,436**	**2,444,460**	**2,546,436**

Investment property is carried at cost and depreciated using the straight line method. The estimated useful life of the investment property is 25 years.

The investment property comprises a number of commercial properties that are leased to related and third parties. The annual rent received from the investment property is approximately ₦86 million per annum.

18. Investments in subsidiaries

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at January 1	–	–	15,193,398	13,131,581
Additions during the year	–	–	–	2,061,817
Disposals	–	–	–	-
Balance at December 31	**–**	**–**	**15,193,398**	**15,193,398**

Investments undertakings are recorded at cost which is the fair value of the consideration paid. Details of the parent's subsidiaries at the end of the reporting period are as follows on page 94:

Name of subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent 2016	2015
Abumet Nigeria Ltd.	Manufacturers and dealers in aluminum, steel, iron or other structural products of such nature.	Abuja, Nigeria	90.0%	90.0%
Julius Berger Services Nigeria Ltd.	Providers of ports services, stevedores, cargo superintendents, port management, warehousemen, agents and proprietors of warehouses.	Abuja, Nigeria	100.0%	100.0%
Julius Berger Medical Services Ltd.	Health care providers for the operation of medical service institutions and all form of medical and health care services.	Abuja, Nigeria	100.0%	100.0%
PrimeTech Design and Engineering Nigeria Ltd.	Engineers, planning, design, development and maintenance of engineering works and products of all description.	Abuja, Nigeria	100.0%	100.0%
Julius Berger Investments Ltd.	Investment company and managers	Abuja, Nigeria	100.0%	100.0%
Julius Berger International GmbH	Providers of logistical and technical support on an international level	Wiesbaden, Germany	100.0%	100.0%
Julius Berger Free Zone Enterprise	Planning and construction of all kinds and aspects of civil engineering works and related activities as well as maintanance of buildings and facilities in Free Trade Zones.	Abuja, Nigeria	100.0%	100.0%

19. Inventories

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Construction materials	3,832,061	3,484,269	2,386,019	2,589,532
Consumables	2,263,424	2,401,525	1,493,047	1,481,724
Spares	5,353,228	4,872,969	4,992,500	4,484,729
Others	356,155	478,534	335,288	445,486
	11,804,868	**11,237,297**	**9,206,854**	**9,001,471**
Allowances (Note 19.1)	(105,342)	(127,181)	(41,297)	(63,048)
	11,699,526	**11,110,116**	**9,165,557**	**8,938,423**

19.1 Obsolete inventory

Inventory is stated net of allowances for obsolescence, an analysis of which is as follows:

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at beginning of year	127,181	142,752	63,048	74,874
Amount (written back)/ charged to profit or loss	(232,523)	(15,571)	(21,751)	(11,826)
Balance at end of year	**(105,342)**	**127,181**	**41,297**	**63,048**

19.2 Inventory recognised as expense

The cost of inventories recognised as an expense during the year in respect of operations was ₦27.5 billion (December 31, 2015: ₦30.7 billion).

19.3 Inventory pledged as securities

Inventories have not been pledged as security for liabilities.

20. Amount due from/to customers from construction contract

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Construction costs incurred plus recognised profits less recognised losses to date	756,237,763	770,494,593	753,136,696	770,494,593
Less progress billings	(866,263,468)	(883,150,123)	(866,263,468)	(883,372,103)
	(110,025,705)	**(112,655,530)**	**(113,126,772)**	**(112,877,510)**
Recognised and included in the Consolidated and Separate Financial Statements as amounts				
Due from customers under construction contracts	33,082,455	27,228,427	29,637,665	27,204,457
Due to customers under construction contracts (Note 20.1)	(143,108,160)	(139,883,957)	(142,764,437)	(140,081,967)
	(110,025,705)	**(112,655,530)**	**(113,126,772)**	**(112,877,510)**

20.1 Gross amounts due to customers

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Current portion	24,009,265	32,912,602	23,665,542	28,737,461
Non-current portion	119,098,895	106,971,355	119,098,895	111,344,506
	143,108,160	**139,883,957**	**142,764,437**	**140,081,967**

21. Trade and other receivables

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Trade receivables				
Contract and retention receivables (Note 21.5)	102,069,780	84,713,910	99,252,917	82,042,749
Receivables from rendering of services	–	–	–	–
Less allowance for doubtful debt (Note 21.3)	(9,439,523)	(10,056,409)	(9,304,437)	(8,690,857)
	92,630,257	**74,657,501**	**89,948,480**	**73,351,892**
Other receivables				
Supplier advances	8,169,752	7,734,403	6,849,941	7,217,163
Amount owed by related entities (Note 31.2)	–	–	4,631,755	4,031,346
Amount owed by staff debtors	137,561	78,928	107,556	70,916
Prepayments and accrued income	1,965,200	2,694,527	1,908,588	2,414,601
Other receivables	5,957,995	4,313,009	5,611,193	4,313,009
	108,860,765	**89,478,368**	**109,057,513**	**91,398,927**
Analysed as follows:				
Current Portion	108,291,146	88,634,246	108,507,194	90,554,805
Non-current Portion	569,619	844,122	550,319	844,122
	108,860,765	**89,478,368**	**109,057,513**	**91,398,927**

Trade receivables expected to be recovered within one year include retentions of Nil (2015: ₦989 million) relating to contracts in progress.

Trade and other receivables are classified as loans and receivables.

The Group has recognised an allowance for doubtful debts (see note 21.3) against all receivables over six years because Management's continuous efforts to recover these debts is gradually becoming uncertain. Allowances for doubtful debts are recognised against trade receivables based on Management's assessment of the credit quality of individual customers, receivables that are in dispute, financial standing of customers and the willingness of the customers to pay.

Trade receivables disclosed above include amounts (see page 97 for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are more than three years outstanding are still considered recoverable.

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21.1 Age of receivables that are past due but not impaired

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
0 – 3 years	108,860,765	88,414,892	109,057,513	90,335,451
Above 3 years	–	1,063,476	–	1,063,476
	108,860,765	**89,478,368**	**109,057,513**	**91,398,927**

21.2 Age of receivables that are past due but impaired

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
0 – 3 years	4,254,141	3,935,400	4,119,055	3,935,400
Above 3 years	5,185,382	6,121,009	5,185,382	4,755,457
	9,439,523	**10,056,409**	**9,304,437**	**8,690,857**

Based on past experience, the Group believes that no material impairment allowance is necessary in respect of trade receivables not past due.

21.3 Allowances for credit losses

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at January 1	10,056,409	1,303,129	8,690,857	1,234,825
Impairment losses recognised on receivables	(616,886)	8,827,600	613,580	7,530,352
Amounts written off during the year as uncollectible	–	(74,320)	–	(74,320)
Amounts recovered during the year	–	–	–	–
Balance at December 31	**9,439,523**	**10,056,409**	**9,304,437**	**8,690,857**

In determining the recoverability of trade receivables, the group considered changes in the credit quality of trade receivables from the date credit was initially granted up to the end of the reporting period with emphasis on a certificate by certificate basis.

21.4 Information about concentration risk

Trade receivable exposures are typically with the Federal and State Governments which are the major customers of the Group and credit risks are greatly minimised through forward funding where achievable.

21.5 Contract and retention receivables

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at January 1	84,713,910	50,437,397	82,042,749	52,726,992
Movements in the year	17,355,870	34,276,513	17,210,168	29,315,757
Balance at December 31	**102,069,780**	**84,713,910**	**99,252,917**	**82,042,749**

22. Tax receivables

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at January 1	26,332,120	40,635,621	25,509,480	39,738,157
Movements in the year	11,108,418	(6,692,934)	11,102,257	(6,725,123)
Utilised as tax offset	(5,298,472)	(2,572,688)	(5,235,576)	(2,465,675)
	32,142,066	**31,369,999**	**31,376,161**	**30,547,359**
Allowances	(4,698,189)	(5,037,879)	(4,698,189)	(5,037,879)
Balance at December 31	**27,443,877**	**26,332,120**	**26,677,972**	**25,509,480**
Made up as follows:				
Current portion	1,417,845	5,566,478	1,395,660	5,235,578
Non-current portion	26,026,032	20,765,642	25,282,312	20,273,902
	27,443,877	**26,332,120**	**26,677,972**	**25,509,480**

Tax receivable include credit notes confirmed by the Federal Inland Revenue Service (FIRS) of ₦21.2 billion (2015: ₦5.2 billion) relating to deductions of withholding tax on approved certificates made by various clients and advance payment of Value Added Tax (VAT) on contract of ₦4.8 billion (2015: ₦9.7 billion). The remaining balance represents deductions on withholding tax for which the credit notes have not been received and thus not confirmed by the FIRS.

23. Issued capital and dividend

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Share capital (Note 23.1)	660,000	660,000	660,000	660,000
Share premium	425,440	425,440	425,440	425,440
	1,085,440	**1,085,440**	**1,085,440**	**1,085,440**

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The authorised share capital of the Company is ₦800 million (2015: ₦800 million). This comprises 1.6 billion (2015: 1.6 billion) ordinary shares of 50 kobo each. Issued and fully paid share capital consists of 1.3 billion (2015: 1.3 billion) shares at 50 kobo each. All the ordinary shares rank parri passu in all respects. To the Company's knowledge and belief, there are no restrictions on the transfer of shares in the Company or on voting rights between holders of shares.

There was no movement in issued share capital during the period.

The Directors would not be recommending to the Members at the 47th AGM, payment of dividend for the financial year ended December 31, 2016.

24. Non-controlling interest

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at beginning of year	57,180	670,660	–	–
Share of profit for the year	(9,654)	225	–	–
Share of foreign currency translation reserve	–	–	–	–
Dividend paid to non-controlling interest	(1,000)	–	–	–
Purchase of non-controlling interest	–	(613,705)	–	–
Balance at end of year	**46,526**	**57,180**	**–**	**–**

25. Borrowings

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Bank overdrafts (Note 25.1)	33,172,798	21,526,346	33,172,798	21,526,346
Term loan	–	3,281,590	–	3,281,590
	33,172,798	**24,807,936**	**33,172,798**	**24,807,936**
Made up as follows:				
Current portion	33,172,798	24,807,936	33,172,798	24,807,936
Non-current portion	–	–	–	–
	33,172,798	**24,807,936**	**33,172,798**	**24,807,936**

The borrowing within the Group is represented by only the parent and therefore the same.

25.1 Bank overdrafts

Bank overdrafts comprise various facilities obtained by the Group to meet import financing and working capital requirements.

25.2 Term loan

This represents a term loan secured from HSBC Bank London. The loan is to finance supply of capital goods and related services with German exporters up to a maximum aggregate amount of €62,720,000. The loan is with a tenure of four years. Interest is payable half yearly at six months above EURIBOR plus 1.2 margin. 85% of the loan is secured by Hermes Euler Credit Recovery Insurance. The facility is guaranteed by Zenith Bank Nigeria Plc. The repayment of the loan was completed in the year which comprise of both principal and interest payments. These have been incorporated in these Financial Statements.

25.2.1 Term loan movement schedule

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000
Balance at January 1	3,281,590	6,142,082
Additions in the year	–	–
Repayment in the year	(3,281,590)	(3,305,978)
Exchange difference on translation	–	445,486
Balance at December 31	**–**	**3,281,590**
Made up as follows:		
Current portion	–	3,281,590
Non-current portion	–	–
	–	**3,281,590**

26. Retirement benefit liabilities

26.1 Defined contribution plan

Retirement benefits for members of staff are structured through a defined contributory pension scheme, which is independent of the Group's finances and is managed by private pension fund administrators. The scheme, which is funded by contributions from both employees at 8% and employer at 10% each of relevant emoluments, is consistent with the Pension Reform Act 2014.

Staff pensions	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at January 1	151,438	95,294	24,501	40,152
Provision during the year	603,118	1,016,887	517,223	694,152
Remittance to pension fund administrators	(715,423)	(960,743)	(514,578)	(709,803)
Balance at December 31	**39,133**	**151,438**	**27,146**	**24,501**

The total expense for the defined contribution plans amounted to ₦603 million (2015: ₦1 billion).

26.2 Defined benefit plan – Discontinued scheme

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Present value of unfunded defined benefit obligation	2,463,491	1,853,781	1,311,668	1,420,945
Net actuarial gains/(losses) not recognised	–	–	–	–
Net liability arising from defined benefit obligation	**2,463,491**	**1,853,781**	**1,311,668**	**1,420,945**

Movements in the present value of the defined benefit obligation in the current year were as follows:

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Opening defined benefit obligation	1,853,781	1,996,506	1,420,945	1,606,929
Current service cost	891,646	129,175	82,405	85,916
Interest on defined benefit obligation	160,234	186,096	160,234	186,096
Curtailment	–	135,258	–	135,258
Actuarial gains / (losses) due to experience adjustment	(122,845)	180,372	(122,845)	180,372
Payments in the year	(319,325)	(773,626)	(229,071)	(773,626)
Closing defined benefit obligation	**2,463,491**	**1,853,781**	**1,311,668**	**1,420,945**

Liability in the Statement of Financial Position is as follows:

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Current portion	39,133	151,438	27,146	24,501
Non-current portion	2,463,491	1,853,781	1,311,668	1,420,945
	2,502,624	**2,005,219**	**1,338,814**	**1,445,446**
The amount recognised in profit or loss and included within staff costs	**1,654,998**	**1,467,416**	**759,862**	**1,101,422**

The total amount is recognised in the Statement of Profit or Loss as follows:

Statement of Profit or Loss	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Cost of sales	891,646	129,175	82,405	85,916
Administrative expenses	763,352	1,338,241	677,457	1,015,506
	1,654,998	**1,467,416**	**759,862**	**1,101,422**
Other comprehensive income	(122,845)	180,372	(122,845)	180,372
	1,532,153	**1,647,788**	**637,017**	**1,281,794**

26.3 Termination benefits

In the 2012 financial year, an agreement was signed between the Company and the staff union on staff employments benefits pursuant to the termination of the old scheme under the National Joint Industrial Council (NJIC) agreement. The scheme is designed for the benefit of staff member with at five years continuous service for ex-gratia and ten years continuous service for severance benefits. There are no planned assets for the scheme as the Group believe that these obligations can be supported in the event they become payable. The present value of the defined benefit obligation, and the related current service cost and past service cost, were performed in-house and measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at 31/12/2016 Percentage	Valuation at 31/12/2015 Percentage
Discount rate(s)	15.8 %	12.0 %
Expected rate(s) of salary increase	12.0 %	11.0 %
Average rate(s) of inflation	18.0 %	9.0 %

Note: The discount rate used is the average yield on government securities.

The basis of computation is in line with the exit bonus and ex-gratia payments.
Other assumptions:

- The scheme computation is based on the agreement with the staff unions;
- The basis of computation are in line with the exit bonus and ex-gratia payments; and
- The death rate is ignorable as a minimal number of staff deaths while in service were recorded.

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:	**1,051,880**	**450,529**	**242,639**	**407,270**

The expense for the year is included in the ‘employee benefits expense’ in profit or loss.

27. Trade and other payables

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Trade payables (Note 27.1)	12,269,107	11,171,712	8,768,282	14,656,566
Other payables				
Amount owed to related entities (Note 31.2)	–	–	27,705,980	18,870,288
Other taxation and social security costs	7,553,613	3,709,419	7,544,908	3,689,174
Accruals and deferred income	11,353,005	9,329,792	5,802,271	5,497,115
Dividend payable	1,275,005	1,199,227	1,266,005	1,189,227
Other payables	11,564,588	9,186,675	103,954	223,325
Trade and other payables	**44,015,318**	**34,596,825**	**51,191,400**	**44,125,695**

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. For all the suppliers, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Other taxation and social security costs represent deductions of VAT on advances and withholding taxes from suppliers and subcontractors yet to be remitted to the FIRS.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

28. Provisions

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Balance at beginning of year	404,308	2,135,994	300,000	–
Provision no longer required	–	(2,135,994)	–	–
Provision for the year	49,924	404,308	–	300,000
Balance at end of year	**454,232**	**404,308**	**300,000**	**300,000**
Made up as follows:				
Current portion	–	–	–	–
Non-current portion	454,232	404,308	300,000	300,000
	454,232	**404,308**	**300,000**	**300,000**

29. Reconciliation of profit/(loss) to net cash provided by operating activities

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Profit/(Loss) for the year	3,005,360	1,760,112	(3,533,365)	2,656,300
Adjustments for				
Investment income	(284,681)	(139,763)	(86,502)	(3,678,069)
Finance costs	5,784,246	6,148,772	5,784,246	6,148,772
Depreciation of PPE	8,976,153	9,886,440	8,675,879	9,499,602
Impairment loss of PPE	(1,617,525)	2,125,133	(1,690,092)	2,128,374
Depreciation of investment property	101,976	101,976	101,976	101,976
Actuarial gains on retirement benefits	(122,845)	180,372	(122,845)	180,372
Prior year under provision of tax	–	–	–	–
Gain on disposal of PPE	(4,495,160)	(1,696,628)	(4,504,005)	(1,695,347)
Increase in share capital	–	–	–	–
Provision for VAT written off	–	(6,308,748)	–	(6,308,748)
Increase in provisions	49,294	2,058,832	–	2,291,732
Operating cash flows before movements in working capital	**11,396,818**	**14,116,498**	**4,625,292**	**11,324,964**
(Increase)/decrease in inventories	(589,410)	1,001,713	(227,135)	861,566
Decrease/(increase) in gross amount due from customers	(5,854,028)	1,673,599	(2,433,208)	1,917,663
Increase in trade and other receivables	(19,382,397)	(23,516,271)	(17,658,586)	(23,203,911)
Decrease/(increase) in tax receivable	(1,111,757)	14,160,213	(1,168,492)	14,228,677
Increase/(decrease) in retirement benefit liabilities	497,405	1,373,133	(106,633)	(201,636)
Increase/(decrease) in trade and other payables	9,418,493	(3,543,628)	8,435,303	(3,666,795)
Increase in gross amount due to customers	3,224,203	3,371,878	2,682,470	12,762,477
Cash generated by operations	**(2,400,673)**	**8,637,135**	**(5,850,988)**	**14,023,005**
Movement in taxation	(3,883,774)	356,702	(1,369,305)	553,879
Net cash from operating activities	**(6,284,447)**	**8,993,837**	**(7,220,293)**	**14,576,884**

29.1 Analysis of cash, cash equivalents and net cash

Group	Balance at 01/01/2016 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2016 ₦ 000
Cash and bank balances	**13,360,038**	**(2,775,516)**	**–**	**10,584,522**
Cash and cash equivalents	13,360,038	(2,775,516)	–	10,584,522
Borrowings	(24,807,936)	(8,364,862)	–	(33,172,798)
	(11,447,898)	**(11,140,378)**	**–**	**(22,588,276)**

Company	Balance at 01/01/2016 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2016 ₦ 000
Cash and bank balances	**10,148,623**	**(3,919,108)**	**–**	**6,229,515**
Cash and cash equivalents	10,148,623	(3,919,108)	–	6,229,515
Borrowings	(24,807,936)	(8,364,862)	–	(33,172,798)
	(14,659,313)	**(12,283,971)**	**–**	**(26,943,283)**

30. Financial instruments

30.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy is to thrive on quality in offering integrated construction solutions and services while maintaining its core competence and efficient working capital management with low cost for funds.

The capital structure of the Group and Company consists of net debt (which includes the borrowings offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the Financial Statements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limit.

The gearing ratio at the year end is as follows:

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Debt	33,172,798	24,807,936	33,172,798	24,807,936
Cash and bank balance	(10,584,522)	(13,360,038)	(6,229,515)	(10,148,623)
Net debt (i)	**22,588,276**	**11,447,898**	**26,943,283**	**14,659,313**
Equity (ii)	**25,316,315**	**24,291,955**	**13,145,087**	**18,658,452**
Net debt to equity ratio	**0.89**	**0.47**	**2.05**	**0.79**

i. Debt is defined as current and non-current term borrowings as described in the appropriate note.
ii. Equity includes all capital and reserves of the Group that are managed as capital.

30.2 Categories of financial instruments

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Financial Assets				
Loans and receivables				
Trade and other receivables	102,207,341	84,792,838	99,360,473	86,145,011
Tax receivable	27,443,877	26,332,120	26,677,972	25,509,480
Amount due from customers under construction contracts	33,082,455	27,228,427	29,637,665	27,204,457
Cash and bank balances	10,584,522	13,360,038	6,229,515	10,148,623
	173,318,195	**151,713,423**	**161,905,625**	**149,007,571**
Financial liabilities				
Amortised cost				
Borrowings	33,172,798	24,807,936	33,172,798	24,807,936
Retirement benefit liabilities	39,133	151,438	27,146	24,501
Trade and other payables	44,015,318	34,596,825	51,191,400	44,125,695
	77,227,249	**59,556,199**	**84,391,344**	**68,958,132**

30.3 Risk management

The Group has an integrated Risk Management System that identifies and measures the impact of the risks it faces. Further more, it establishes a framework to evaluate and counteract such risks through various control and monitoring mechanisms. Such risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

30.3.1 Market risk management

Market risk exposures are measured using sensitivity analysis and there has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

30.3.1.1 Interest rate risk management

The Group is exposed to interest rate risk from bank overdraft. Since it is repayable on demand, the carrying amount reflects the fair value and the Group's exposure to interest risk as at the reporting date.

30.3.1.2 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The group utilises a currency mix with part agreement in Naira and part in either Euro or US Dollar for contracts that are expected to last for more than one financial year.

The Group publishes its consolidated and separate account in Naira. It conducts business in a range of currencies, including Euro and US Dollar. As a result, the Group is exposed to foreign exchange risks, which will affect transaction costs and the translation results.

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Monetary assets/liabilities denominated in Euro				
Cash and bank balances	3,783,121	(9,489,086)	859,680	(12,024,173)
Trade receivables	9,202,156	8,698,740	7,033,236	6,725,381
Trade payables	(16,382,702)	(8,119,488)	(3,831,954)	(3,078,257)
	(3,397,425)	**(8,909,834)**	**4,060,962**	**(8,377,049)**
Monetary assets/liabilities denominated in Dollars				
Cash and bank balances	1,652,703	12,182,869	1,652,703	12,182,869
Trade receivables	2,195,009	–	2,195,009	–
Trade payables	–	(52,990)	–	(52,990)
	3,847,712	**12,129,879**	**3,847,712**	**12,129,879**

18% is the sensitivity rate used when reporting foreign currency risk internally to Key Management Personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 18% change in foreign currency rates. Foreign exchange rate risk sensitivity to foreign exchange movements in the above example has been calculated on a symmetric basis. The symmetric basis assumes that a increase or decrease in foreign exchange movement would result in the same amount.

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Naira depreciates by 18% (2015: 12%) against Euro	611,537	1,069,180	(730,973)	1,005,246
Naira depreciates by 18% (2015: 12%) against US Dollar	(692,588)	(1,455,585)	(692,588)	(1,455,585)
Impact on reported profit	**(81,051)**	**(386,405)**	**(1,423,561)**	**(450,339)**

Foreign exchange rate risk sensitivity to foreign exchange movements in the above example has been calculated on a symmetric basis. The symmetric basis assumes that increase or decrease in foreign exchange movement would result in the same amount.

30.3.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing activities (primarily trade receivables), and from its financing activities; including deposits with financial institutions and financial guarantees. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (in form of advances), where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with government, government institutions and other top rate entities and individuals that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

30.3.2.1 Trade receivables

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterpart. Counterpart credit limits are reviewed by the Group's financial controller periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

30.3.2.2 Deposits with financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterpart. Counterpart credit limits are reviewed by the Group's financial controller periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

30.3.2.3 Exposure to credit risks

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Trade receivables	92,630,257	74,657,501	89,948,480	73,351,892
Cash and bank balances	10,584,522	13,360,038	6,229,515	10,148,623
	103,214,779	**88,017,539**	**96,177,995**	**83,500,515**

30.3.2.4 Collateral held as security and other credit enhancements

Except in the form of advances, the Group does not hold any other collateral or other credit enhancements to cover its credit risks associated with its financial assets.

30.3.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity profile of the recognised financial instruments are as follows:

Group	< 1 year ₦ 000	1–3 years ₦ 000	3–6 years ₦ 000	Total ₦ 000
Financial assets				
Trade and other receivables	102,207,341	–	–	102,207,341
Tax receivable	1,417,845	26,026,023	–	27,443,877
Amount due from customers under construction contracts	33,082,455	–	–	33,082,455
Cash and bank balances	10,584,522	–	–	10,584,522
	147,292,163	**26,026,023**	**–**	**173,318,195**
Financial liabilities				
Borrowings	33,172,798	–	–	33,172,798
Trade and other payables	44,015,318	–	–	44,015,318
Retirement benefit liabilities	39,133	–	–	39,133
	77,227,249	**–**	**–**	**77,227,249**

Company	< 1 year ₦ 000	1 – 3 years ₦ 000	3 – 6 years ₦ 000	Total ₦ 000
Financial assets				
Trade and other receivables	100,298,984	–	–	100,298,984
Tax receivable	1,395,660	25,282,312	–	26,677,972
Amount due from customers under construction contracts	29,637,665	–	–	29,637,665
Cash and bank balances	6,229,515	–	–	6,229,515
	137,561,824	**25,282,312**	**–**	**162,844,136**
Financial liabilities				
Borrowings	33,172,798	–	–	33,172,798
Trade and other payables	51,191,400	–	–	51,191,400
Retirement benefit liabilities	27,146	–	–	27,146
	84,391,344	**–**	**–**	**84,391,344**

30.3.4 Fair value of financial instruments

Trade and other receivables/payables, cash and cash equivalents and short term investments are valued at their amortised cost, which are deemed to reflect their value.

31. Related party information

31.1 Identity of related entities

- Abumet Nigeria Ltd., subsidiary
- Julius Berger Services Nigeria Ltd., subsidiary
- PrimeTech Design and Engineering Nigeria Ltd., subsidiary
- Julius Berger Medical Services Ltd., subsidiary
- Julius Berger International GmbH, subsidiary
- Julius Berger Investments Ltd., subsidiary
- Julius Berger Free Zone Enterprise, subsidiary
- CEC Construction Engineering + Contracting GmbH, sub-subsidiary
- Key Management Personnel (note 31.4)

Abumet Nigeria Ltd.

This is a 90% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Julius Berger Services Nigeria Ltd.

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from stevedoring services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

PrimeTech Design and Engineering Nigeria Ltd.

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from Design and Engineering services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Julius Berger Medical Services Ltd.

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from Medical services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Julius Berger International GmbH

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Julius Berger Investments Ltd.

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company did not enter into any transactions with the related party in the period.

Julius Berger Free Zone Enterprise

This is a 100% owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from engineering services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

CEC Construction Engineering + Contracting GmbH

This is a wholly owned subsidiary of Julius Berger International GmbH (a 100% owned subsidiary of Julius Berger Nigeria Plc). The company did not enter into any transactions with the related party in the period.

31.2 Outstanding balances

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Due from related entities				
Abumet Nigeria Ltd.	–	–	2,382,204	1,119,657
Julius Berger Services Nigeria Ltd.	–	–	240,406	425,090
PrimeTech Design and Engineering Nigeria Ltd.	–	–	178,803	437,074
Julius Berger Medical Services Ltd.	–	–	911,935	1,023,964
Julius Berger International GmbH	–	–	61,597	22
Julius Berger Free Zone Enterprise	–	–	856,810	1,025,539
	–	**–**	**4,631,755**	**4,031,346**
Due to related entities				
Abumet Nigeria Ltd.	–	–	425,984	218,772
Julius Berger Services Nigeria Ltd.	–	–	271,036	259,917
PrimeTech Design and Engineering Nigeria Ltd.	–	–	79,769	196,836
Julius Berger Medical Services Ltd.	–	–	491,534	426,964
Julius Berger International GmbH	–	–	23,667,158	17,767,799
Julius Berger Free Zone Enterprise	–	–	2,770,499	–
	–	**–**	**27,705,980**	**18,870,288**

The outstanding balances due from/to related entities are not secured.

31.3 Related party transactions

During the year the Company traded with related parties on terms similar to such transactions entered into with third parties as follows:

	Group Sale of goods & services ₦ 000	Group Purchase of goods & services ₦ 000	Company Sale of goods & services ₦ 000	Company Purchase of goods & services ₦ 000
Julius Berger Services Nigeria Ltd.	–	–	147,806	873,780
Abumet Nigeria Ltd.	–	–	1,419,039	952,832
PrimeTech Design and Engineering Nigeria Ltd.	–	–	521,973	645,295
Julius Berger Medical Services Ltd.	–	–	1,040,801	2,018,560
Julius Berger International GmbH	–	–	63,053	8,339,802
Julius Berger Free Zone Enterprise	–	–	1,262,519	–
	–	**–**	**4,455,191**	**12,830,269**

31.4 Key Management Personnel

Key Management Personnel are also regarded as related parties. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Executive and Non-Executive Directors.

31.4.1 Remuneration of Key Management Personnel

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Short term benefits	405,405	460,858	403,405	458,858
Long term benefits	–	–	–	–
Post-employment benefits	–	–	–	–
Termination benefits	–	–	–	–
	405,405	**460,858**	**403,405**	**458,858**

The short term benefits include fees and expenses and other remunerations for Directors.

31.5 Details of loans from/to Key Management Personnel

There were no loans from/to Key Management Personnel during the reporting period.

31.6 Identify the ultimate controlling party of Julius Berger Nigeria Plc

No entity has been identified as the ultimate controlling party for the reporting period.

31.7 Other information on Key Management Personnel

	Group 31/12/2016 ₦ 000	Group 31/12/2015 ₦ 000	Company 31/12/2016 ₦ 000	Company 31/12/2015 ₦ 000
Emoluments				
Chairman	5,200	5,200	5,200	5,200
Other directors	400,205	455,658	398,205	453,658
	405,405	**460,858**	**403,405**	**458,858**
Fees	22,275	20,700	22,275	20,700
Other emoluments	383,130	440,158	381,130	438,158
	405,405	**460,858**	**403,405**	**458,858**
Highest paid Director	**176,806**	**147,433**	**176,806**	**147,433**

The number of Directors excluding the Chairman whose emoluments fell within the following ranges were:

₦ 190,001 – ₦ 3,000,000	4	8	4	8
₦ 3,000,001 and above	6	7	5	5
Number of Directors who had no emoluments	–	–	–	–

No Director's emoluments other than stated were waived during the year and no payments were made to any Directors, past or present in respect of pension and compensation for loss of office.

32. Guarantees and other financial commitments

32.1 Guarantee, pledge of financial commitments

The Company and its subsidiaries did not guarantee or pledge any financial commitment for liabilities of third parties.

32.2 Contingent liabilities

There were no known contingent liabilities in the ordinary course of business.

32.3 Financial commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these Financial Statements.

33. Events after the reporting period

There were no material events after the reporting period which could have had material effect on the state of affairs of the Group as at December 31, 2016, and the profit for the year then ended date that have not been adequately provided for or recognised in the Financial Statements.

34. Approval of Financial Statements

The Financial Statements were approved by the board of directors and authorised for issue on March 15, 2017.

Permanent Site of the National Institute for Legislative Studies, Abuja

Additional Information

for the Year Ended December 31, 2016

Julius Berger Nigeria Plc AR & FS 2016 | Statement of Value Added

Statement of
Value Added

"Value added" represents the additional wealth which the Company has been able to create by its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government, providers of finance and that retained for the future creation of more wealth.

	Group 2016 ₦000	Group 2016 %	Group 2015 ₦000	Group 2015 %	Company 2016 ₦000	Company 2016 %	Company 2015 ₦000	Company 2015 %
Revenue	**138,993,752**		**133,807,574**		**119,813,392**		**119,242,541**	
Bought in materials and services								
Foreign	(7,925,153)	–	(3,564,510)	–	(20,755,422)	–	(33,806,749)	–
Local	(58,387,021)	–	(67,005,478)	–	(48,968,484)	–	(32,420,549)	–
Value added	**72,681,578**	**100.0**	**63,237,586**	**100.0**	**50,089,486**	**100.0**	**53,015,243**	**100.0**
Applied as follows:								
To pay employees' salaries, wages, and social benefits								
Staff costs	52,560,237	72.3	41,652,397	65.9	36,643,791	73.2	31,210,927	58.9
To pay providers of capital								
Finance costs	5,784,246	8.0	6,148,772	9.7	5,784,246	11.5	6,148,772	11.6
To pay government								
Taxation	1,423,923	2.0	6,106,748	9.7	1,395,660	2.8	5,770,100	10.9
To provide for maintenance and development								
Depreciation	9,078,129	12.5	9,846,250	15.6	8,777,855	17.5	9,601,578	18.1
Deferred tax	829,683	1.1	(2,276,693)	(3.6)	1,021,299	2.0	(2,372,434)	(4.5)
Retained earnings	3,015,014	4.1	1,759,887	2.8	(3,533,365)	(7.1)	2,656,300	5.0
Non-controlling interest	(9,654)	(0.0)	225	0.0	–	–	–	–
Value added	**72,681,578**	**100.0**	**63,237,586**	**100.0**	**50,089,486**	**100.0**	**53,015,243**	**100.0**

Julius Berger Nigeria Plc AR & FS 2016 | Four-Year Financial Summary

Four-Year
Financial Summary

Earnings, dividend and net asset per share are based on profit after tax attributable to equity holders of the parent and the number of issued and fully paid ordinary shares at the end of each financial year.

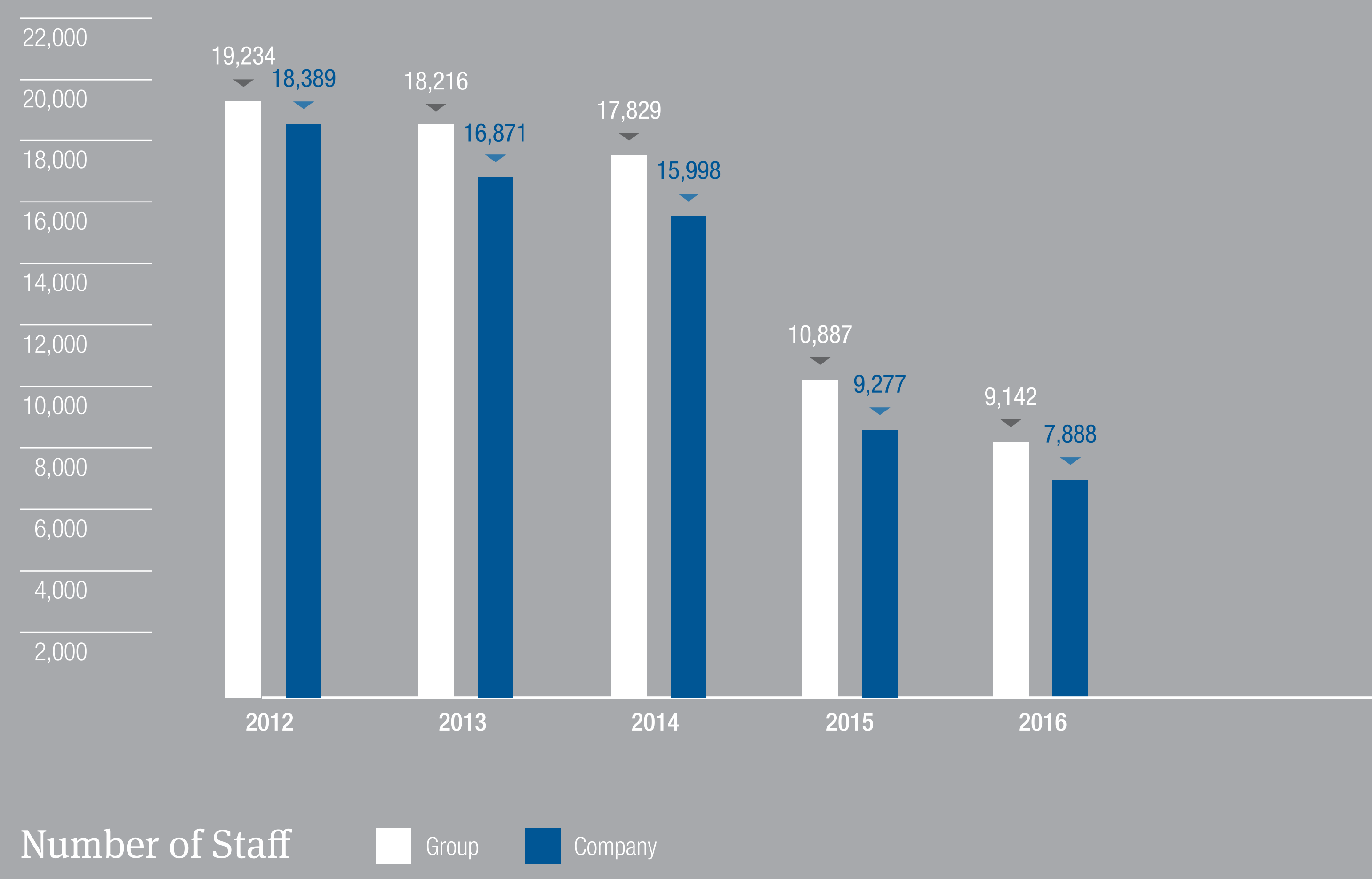
Balance Sheet	Group 2016 ₦000	Group 2015 ₦000	Group 2014 ₦000	Group 2013 ₦000	Company 2016 ₦000	Company 2015 ₦000	Company 2014 ₦000	Company 2013 ₦000
Non-current assets								
PPE	49,712,834	58,376,513	68,369,671	67,995,915	47,093,218	55,470,657	66,711,736	66,542,850
Goodwill	8,348,748	5,041,184	4,606,412	4,842,708	–	–	–	–
Other intangible assets	2,766	32,712	77,402	118,297	–	–	–	–
Investment property	2,444,460	2,546,436	2,648,412	780,177	2,444,460	2,546,436	2,648,412	780,177
Investment in subsidiaries	–	–	–	–	15,193,398	15,193,398	13,131,581	12,195,207
Trade and other receivables	569,619	844,122	2,334,764	1,469,591	550,319	844,122	1,622,353	1,469,591
Tax receivables	26,026,023	20,765,642	35,060,509	31,075,595	25,282,312	20,273,902	34,272,482	30,313,672
Deferred tax assets	5,453,858	10,087,301	8,041,407	7,468,271	5,375,286	9,874,831	7,867,780	7,772,392
Other financial assets	–	–	–	–	–	–	–	–
Net current liabilities	63,960,178	48,816,811	19,201,927	8,303,547	47,006,870	40,089,016	4,744,619	(1,759,845)
	156,518,495	**146,510,721**	**140,340,504**	**122,054,101**	**142,945,863**	**144,292,362**	**130,998,963**	**117,314,044**
Non-current liabilities								
Borrowings	–	–	(3,201,710)	(6,435,141)	–	–	(3,201,710)	(6,435,141)
Retirement benefits liabilities	(2,463,491)	(1,853,781)	(1,996,506)	(2,033,004)	(1,311,668)	(1,420,945)	(1,606,929)	(1,678,155)
Deferred tax liabilities	(9,185,562)	(12,989,322)	(13,220,121)	(12,336,676)	(9,090,213)	(12,568,459)	(12,933,842)	(12,675,558)
Amount due to customers under construction contracts	(119,098,895)	(106,971,355)	(93,690,330)	(80,214,852)	(119,098,895)	(111,344,506)	(93,690,330)	(80,214,852)
Provisions	(454,232)	(404,308)	(2,135,994)	–	(300,000)	(300,000)	–	–
Net Assets	**25,316,315**	**24,291,955**	**26,095,843**	**21,034,428**	**13,145,087**	**18,658,452**	**19,566,152**	**16,310,338**
Capital and reserves								
Share capital	660,000	660,000	660,000	600,000	660,000	660,000	660,000	600,000
Share premium	425,440	425,440	425,440	425,440	425,440	425,440	425,440	425,440
Foreign currency translation reserve	7,119,062	419,755	919,411	687,896	–	–	–	–
Retained earnings	17,065,287	22,729,580	23,420,332	18,863,052	12,059,647	17,573,012	18,480,712	15,284,898
Attributable to equity holders of the parent	**25,269,789**	**24,234,775**	**25,425,183**	**20,576,388**	**13,145,087**	**18,658,452**	**19,566,152**	**16,310,338**
Non-controlling interest	46,526	57,180	670,660	458,040	–	–	–	–
	25,316,315	**24,291,955**	**26,095,843**	**21,034,428**	**13,145,087**	**18,658,452**	**19,566,152**	**16,310,338**
Turnover and profit								
Revenue	138,993,752	133,807,574	196,808,632	212,737,291	119,813,392	119,242,541	179,978,707	184,212,185
Profit before taxation	(1,498,029)	6,499,973	13,134,896	16,220,536	(1,239,251)	6,234,338	10,028,524	10,976,029
Profit after taxation	3,015,014	1,759,887	8,088,795	8,064,235	(3,533,365)	2,656,300	6,495,814	4,733,213
Dividend	–	1,980,000	3,564,000	3,240,000	–	1,980,000	3,564,000	3,240,000
Earnings per ordinary share (₦)								
Actual	2.28	1.33	6.13	6.72	(2.68)	2.01	4.92	3.94
Diluted/Adjusted	2.28	1.33	6.13	6.11	(2.68)	2.01	4.92	3.59
Net asset per share (₦)								
Actual	19.18	18.40	19.77	17.53	9.96	14.14	14.82	13.59
Diluted/Adjusted	19.18	18.40	19.77	15.94	9.96	14.14	14.82	12.36
Dividend per share (₦)								
Actual	–	1.50	2.70	2.70	–	1.50	2.70	2.70
Diluted/Adjusted	–	1.50	2.70	2.45	–	1.50	2.70	2.45
Dividend cover (times)	–	0.89	2.23	2.49	–	1.34	1.82	1.46

Share Capital History

Year	Authorised share capital nominal value		Issued and paid-up share capital	
	Number of shares	₦	Number of shares	₦
1970	400,000	200,000	400,000	200,000
1972	1,800,000	900,000	1,793,200	896,600
1974	3,000,000	1,500,000	2,993,200	1,496,600
1976	4,000,000	2,000,000	4,000,000	2,000,000
1977	11,600,000	5,800,000	–	–
1978	24,000,000	12,000,000	24,000,000	12,000,000
1990	60,000,000	30,000,000	–	–
1991	–	–	48,000,000	24,000,000
1992	–	–	60,000,000	30,000,000
1993	90,000,000	45,000,000	90,000,000	45,000,000
1996	180,000,000	90,000,000	180,000,000	90,000,000
2000	225,000,000	112,500,000	225,000,000	112,500,000
2001	270,000,000	135,000,000	–	–
2005	345,000,000	172,500,000	300,000,000	150,000,000
2008	1,245,000,000	622,500,000	1,200,000,000	600,000,000
2014	1,600,000,000	800,000,000	1,320,000,000	660,000,000

Note:
On May 4, 1979, the authorised share capital of the Company of 60,000 ordinary shares of ₦200 each was converted to 24 million ordinary shares of 50 Kobo each.
From December 29, 1969 to 1972, shares were denominated in the Nigerian pound but in this schedule, all the shares have been converted and denominated in Naira.

Staff Strength



Shareholder Information

Our Esteemed Shareholders,
Several of you, our esteemed shareholders, and indeed the Regulators, have expressed to the Board their concerns about the unclaimed dividend balances as well as the status of unclaimed certificates. After discussing with the Registrars, it was recognised that the Company, the shareholders and Registrars share the burden of ensuring that the balance on the un-claimed dividends account is kept well reduced and evidence of holdings are properly documented.

To this end, all shareholders of the Company with unclaimed dividends and certificates are urged to come forward to claim their dividends and certificates.

Shareholders are also encouraged to:

1. Inform the Registrars promptly of any change of address or significant information that may affect their records as shareholders and follow up to ensure rectification.
2. Have their accounts mandated for e-dividend payment. Dividends would be credited to the account stated electronically. To forestall a situation where complaints are made of non-payment, the Registrars would, contemporaneously with remittance to the various banks for the mandated account(s) of shareholder(s), forward advice slips of payment(s) made to such shareholder(s).
3. Establish CSCS accounts to which shares arising from corporate actions such as bonus, rights and offers for sale or subscription would be credited.

The full Audited Reports and Financial Statements are available on the investor relations portal on the Company's website, www.julius-berger.com, as well as on the website of the Registrars, GTL Registrars Ltd.,

The Proxy and Admission Forms together with the Authority to Mandate and Change of Information Form duly filled in, should, in accordance with instructions thereon, be deposited with any of the listed offices of the Registrars or the Company nationwide.

We urge you to take advantage of the forms and the opportunity they present to ease shareholder management.

We would also advise our shareholders that the Board of Directors has approved a Complaints Management Policy and a Security Trading Policy for the Company, and both policies can be found on the Company's website, www.julius-berger.com.

Yours sincerely,

Mrs. Cecilia Ekanem Madueke
Company Secretary

Proxy Form

47th Annual General Meeting (AGM) of Julius Berger Nigeria Plc to be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, Abuja FCT on Thursday June 15, 2017, at 11:00 a.m. in the forenoon.

I/We being a member/members of Julius Berger Nigeria Plc hereby appoint the person named below or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 47th AGM of that Company to be held on June 15, 2017 and at every adjournment thereof.

Caution: To be valid, this form must be stamped accordingly.

Shareholder Name

Proxy Name

Date (dd/mm/yyyy)

Shareholder's Signature

Nos.	Resolutions	For	Against
1.	To re-elect Mr. Mutiu Sunmonu, CON as a Director		
2.	To re-elect Mr. George Marks as a Director		
3.	To authorise the Directors to fix the remuneration of Auditors		
4.	To constitute the Statutory Audit Committee		
5.	To fix the remuneration of Directors		

Notes

1. Please indicate with an 'x' in the appropriate squares how you wish your votes to be cast on the resolutions set out above.
2. A member (shareholder) who is unable to attend the AGM is allowed to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote in case you cannot personally attend the Meeting. Members wishing to vote by proxy should please ensure that the appropriate stamp duties due on the proxy form are paid. The proxy must produce the "Admission Card", attached to this form, to obtain entrance to the Meeting.
3. Provision has been made on this form for the Chairman of the Meeting to act as your proxy. However, if you so wish, you may insert in the space provided on the form the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf.
4. Please sign the above proxy form and post it so as to reach the Registrars, GTL Registrars Ltd., 274 Muritala Muhammed Way, Ebute Metta 101 212, Lagos, not later than 48 hours before the appointed time for holding the Meeting. If executed by a corporation, the proxy form must bear the common seal of such corporation.
5. It is a requirement of the law under the Stamp Duties Act Cap 411, Laws of the Federation of Nigeria 1990, that for any instrument of proxy to be valid for voting at the Meeting of shareholders, it must bear the evidence that the required stamp duties have been paid.

Admission Card

Please admit the person named below at the 47th AGM of Julius Berger Nigeria Plc to be held at 11:00 a.m. in the forenoon on Thursday, June 15, 2017, at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, Abuja FCT.

Mrs. Cecilia Ekanem Madueke
Company Secretary

Before posting the above card please tear off this part and retain it.

Attendee's Name

Signature of Attendee

For Registrars / Company Use Only

Shareholder Name

Number of Shares

Notes

1. This Admission Card must be produced by the shareholder or his/her proxy in order to gain entry to the venue of the AGM.
2. Shareholders of their proxies must sign this authority for admission before attending the Meeting.

Please fold here for posting.

Please affix postage stamp here

The Registrars
GTL Registrars Ltd.
274 Muritala Muhammed Way
Ebute Metta 101 212
Lagos

Cut off from here.

JULIUS BERGER

Authority to Mandate and Change of Information

Kindly direct all my/our dividend payment(s) and my/our share(s) in respect of my/our holding(s) in Julius Berger Nigeria Plc into my/our account(s) stated below:

Banker Details

Name of Bank and Branch

Sort Code

Account Number (Current or Savings)

Stamp of Bank and Signature of Account Schedule Officer

CSCS Details

Name of Broker

CSCS Account Number

Stamp of Broker and Signature of Account Schedule Officer

Further please note my/our change of address and other information as follows:

Old Address

New Address

Other Information

Telephone Number

Telephone Number

Email

Shareholder Name

Date (dd/mm/yyyy)

Shareholder Signature

Please fold here for posting.

Please affix
postage
stamp here

The Registrars
GTL Registrars Ltd.
274 Muritala Muhammed Way
Ebute Metta 101 212
Lagos

Please fold here for posting.

Julius Berger Nigeria Plc
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RC No. 6852

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Email: info@julius-berger.com
www.julius-berger.com


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