JULIUS BERGER

ANNUAL REPORTS & CONSOLIDATED FINANCIAL STATEMENTS 2020

julius-berger.com

CONTENTS

JULIUS BERGER

UNMATCHED EXCELLENCE IN CONSTRUCTION

Julius Berger Nigeria Plc is at the forefront of the industry, continuously building on robust experience and strong technical expertise through development and innovation for the creation of long-term value for stakeholders.

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At Julius Berger Nigeria Plc, our vision is to be Nigeria's most dynamic construction company.

- We seize opportunities for both our Company and the country.
- We work with dedication to maintain our clients' trust.
- We operate with a holistic approach and a solutions-driven mindset.
- We seek efficient methods to deliver on our clients' requisitions.
- We integrate our multiple resources, including specialized personnel or production and service facilities, to achieve the best results.

CORPORATE INFORMATION

Directors

- Mr. Mutiu Sunmonu, CON, Chairman
- Mr. George Marks (German), Vice-Chairman
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Mrs. Belinda Ajoke Disu, CAL
- Mrs. Gladys Olubusola Talabi
- Engr. Goni Musa Sheikh
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD, Independent Non-Executive Director
- Mr. Karsten Hensel (German)
- Engr. Dr. Lars Richter (German), Managing Director
- Alhaji Zubairu Ibrahim Bayi, Director Administration
- Mr. Martin Brack (German), Financial Director
- Mr. Tobias Meletschus (German), Director Corporate Development

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

Greenwich Registrars & Data Solutions Ltd.
274 Murtala Muhammed Way
Ebute Metta 101 212
Lagos

Bankers

- Access Bank Plc
- Ecobank 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 (Company) is a leading Nigerian company offering holistic services covering the planning, design, engineering, construction, operation and maintenance of buildings, infrastructure and industry projects in Nigeria. Since its pioneer project in 1965, Julius Berger Nigeria Plc has played a pivotal role in the development of Nigeria's industrial and civil infrastructure. 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.

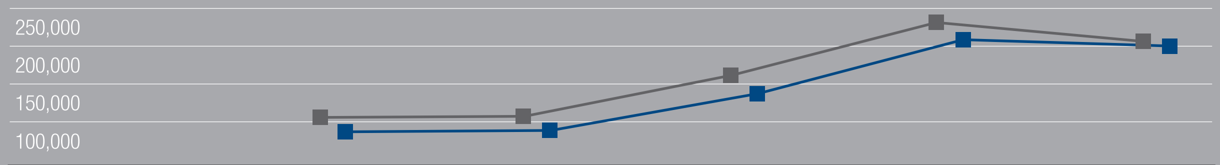
Subsidiaries of the Company are: Julius Berger International GmbH, in Germany, a key provider of planning, design and engineering, in addition to logistical support for businesses in Nigeria; Julius Berger Services Nigeria Ltd., a multipurpose terminal operator at the Warri Port, which contributes to efficient operations; Julius Berger Medical Services Ltd., a medical service provider to Julius Berger Nigeria Plc and its subsidiaries (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 and glass solutions provider in Nigeria, which strengthens the Group's ability to provide turnkey building solutions; PrimeTech 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, value-driven project planning and execution. Unwavering reliability, unmatched expertise as well as strong supply chains provide particular assurance and guarantee project success.

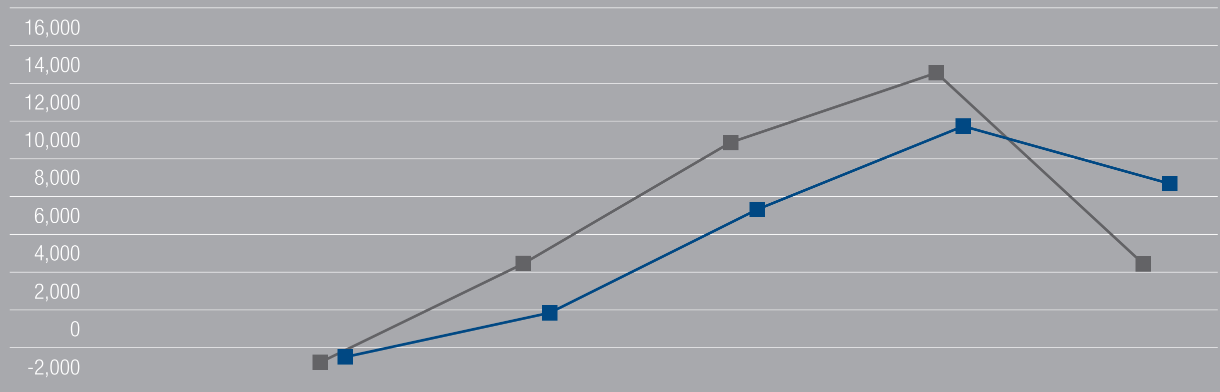
Julius Berger Nigeria Plc AR & CFS 2020 | Results at a Glance

RESULTS AT A GLANCE

Revenue and Profit/(Loss) Before Tax

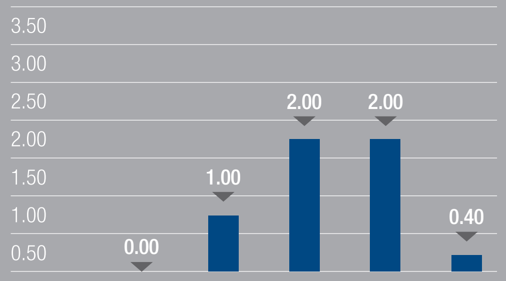


₦ billion	2016	2017	2018	2019	2020
Revenue Group	138,994	141,890	194,618	266,430	241,779
Revenue Company	119,813	125,778	170,327	243,489	235,206



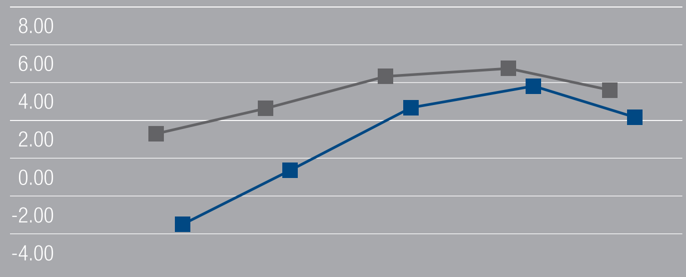
	2016	2017	2018	2019	2020
PBT Group	(1,498)	3,739	10,198	13,919	3,857
PBT Company	(1,239)	1,158	6,631	10,080	8,075

Dividend per Share



₦	2016	2017	2018	2019	2020
Company	0.00	1.00	2.00	2.00	0.40

Earnings per Share



₦	2016	2017	2018	2019	2020
Group	2.28	3.61	5.30	5.72	4.60
Company	(2.68)	0.34	3.63	4.79	3.16

	Group 2020 ₦000	Group 2019 ₦000	Change %	Company 2020 ₦000	Company 2019 ₦000	Change %
Revenue	241,779,455	266,430,227	(9.25)	235,206,675	243,488,979	(3.40)
Profit before taxation	3,856,642	13,918,812	(72.29)	8,075,009	10,079,724	(19.89)
Profit for the year	1,236,273	8,759,535	(85.89)	5,645,210	6,566,806	(14.03)
Other comprehensive income	6,049,415	(1,201,433)	603.52	(635,012)	(243,558)	(160.72)
Total Comprehensive Income	**7,285,688**	**7,558,102**	**(3.60)**	**5,010,198**	**6,323,248**	**(20.77)**
Non-controlling interest	3,838	3,748	2.40	–	–	–
Profit attributable to equity holders of the parent	**7,281,850**	**7,554,354**	**(3.61)**	**5,010,198**	**6,323,248**	**(20.77)**
Retained earnings	27,683,487	29,882,143	(7.36)	21,546,928	19,308,730	11.59
Share capital	792,000	660,000	20.00	792,000	660,000	20.00
Shareholders' funds	44,947,602	40,327,992	11.46	22,764,368	20,394,170	11.62

Per share data

	Group 2020 ₦	Group 2019 ₦	Change %	Company 2020 ₦	Company 2019 ₦	Change %
Earnings per share						
Basic	4.60	5.72	(19.67)	3.16	4.79	(33.79)
Diluted	4.55	4.72	(3.61)	3.13	3.95	(20.77)
Net assets per share						
Basic	28.38	30.55	(7.12)	14.37	15.45	6.98
Diluted	28.09	25.20	11.46	14.23	12.75	11.62
Stock Exchange quotation at December 31	17.80	19.90	(10.55)	17.80	19.90	(10.55)
Number of employee	12,221	11,449	6.74	11,354	10,249	10.78

NOTICE OF
ANNUAL GENERAL MEETING

Notice is hereby given that the 51st 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 17, 2021, at 11:00 a.m., to transact the following business:

Ordinary business

1. To lay before the Company in General Meeting, the Consolidated Financial Statements for the period ended December 31, 2020, the Reports of the Auditors, the Directors of Julius Berger Nigeria Plc (Directors) and the Statutory Audit Committee.
2. To disclose the remuneration of Managers
3. To declare a dividend.
4. To elect / re-elect Directors.
5. To authorise the Directors to fix the remuneration of the External Auditors.
6. To constitute the Statutory Audit Committee.

Special business

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

7.1. That in accordance with Article 109 of the Articles of Association of the Company (Articles) and section 430 of the Companies and Allied Matters Act 2020, and all other applicable laws and regulations, the Directors be and are hereby authorised to capitalise the sum of ₦8 million (eight million Naira), out of the balance standing to the credit of the retained earnings of the Company, as at December 31, 2020, and available for distribution, and to appropriate the said capitalised sum to the members holding 1.584 billion (one billion, five hundred and eighty-four million) ordinary shares of 50 Kobo each in the capital of the Company and registered as at the close of business on May 28, 2020 (Transfer Date), on the condition that the sum appropriated shall not be paid in cash but applied in paying up, in full, at par, on behalf of such holders, 16 million (sixteen million) ordinary shares of 50 Kobo each (Bonus Shares) which Bonus Shares shall be issued and allotted, credited as fully paid up, in full, at par to those members in the proportion of one ordinary share of 50 Kobo for every 99 (ninety-nine) ordinary shares of 50 Kobo now held by them, as at the Transfer Date, and which Bonus shares shall rank parri passu in all respect with the existing ordinary shares of the Company except that such shares shall not rank for dividend recommended by the Directors in respect of the year ended December 31, 2020.

7.2. That the Directors be and are hereby authorised to deal with fractional shares resulting from the issuance of the Bonus Shares, as they deem fit pursuant to the extant laws, rules and regulations.

7.3. That the Directors be and are hereby authorised to give effect to the above resolutions upon the receipt of the necessary permissions and approvals from the appropriate regulatory authorities.

8. To consider and if thought fit to pass the following resolution which will be proposed as special resolution:

8.1. That the Memorandum and Articles of Association of the Company contained in the printed document submitted to the meeting and for the purpose of identification initialled by the Chairman hereof, be approved and adopted as the new Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association hereof.

By order of the Board,

Mrs. Cecilia Ekanem Madueke
Company Secretary
FRC / 2017 / NBA / 00000017540

May 10, 2021

NOTES

Electronic information

Relevant documents in connection with the AGM are available to all shareholders from the date of this notice, on the Company's website www.julius-berger.com.

Proxy

Members of the Company, entitled to attend and vote, are entitled to appoint proxies to attend and vote in their stead. A proxy need not be a member of the Company. A proxy form is provided with this Annual Reports and Consolidated Financial Statements (AR & CFS).

To be valid for the purpose of the meeting, the form must be completed and deposited at the office of the Registrars, Greenwich Registrars & Data Solutions Ltd., not later than 48 hours before the time appointed for holding the meeting.

In view of the COVID 19 pandemic, the restrictions on gatherings and the social distancing measures instituted by Governments, the Company has, under the guidelines issued by the Corporate Affairs Commission (CAC), obtained the approval of the CAC to hold the AGM, taking advantage of S254 of CAMA on the use of proxies, with attendance by proxies.

The proceedings of the meeting shall also be streamed, live and the link shall be made available online on the Company's website www.julius-berger.com.

Members, entitled to attend and vote at the AGM, may wish to select any one of the underlisted as their proxies, to attend and vote in their stead:

- Mr. Mutiu Sunmonu, CON
- Alhaji Zubairu Ibrahim Bayi
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD
- Mrs. Adebisi Oluwayemisi Bakare
- Mr. Patrick Ajudua
- Sir Sunny Nnamdi Nwosu, KSS
- Mr. Mathew Akinlade
- Mrs. Adetutu Ganiyat Siyanbola
- Hon. Bright Nwabughogu
- Mrs. Oludewa Thorpe

Each duly completed proxy form shall be counted as one and every member, present in person or by proxy, shall have one vote. A proxy remains valid provided that no intimation in writing of death, insanity, revocation or transfer shall have been received by the Company at the registered office, or the office of the Registrars before the commencement of the meeting or adjourned meeting at which the proxy is used.

An objection to a proxy shall be made in due time and shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Closure of Register of Members and Transfer Books

The Register of Members and the Transfer Books will be closed from May 31, 2021 to June 2, 2021, both dates inclusive, for the purpose of dividend and scrip.

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 nomination 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, codes, rules and regulations guiding listed companies in Nigeria.

The information on shareholders nominated as members of the Statutory Audit Committee of the Company would be made available on the Company's website www.julius-berger.com.

Amendments to the Memorandum and Articles of Association

The amendments made to the existing Memorandum and Articles of Association of the Company are documented on the draft Memorandum and Articles of Association (Memart 2021) placed on the Investor Relations Portal on the Company's website www.julius-berger.com.

Members are urged to visit the website to appraise themselves of the changes. In the alternative, Members may visit the offices of the Registrars, Greenwich Registrars & Data Solutions Ltd., 274 Muritala Muhammed Way, Ebute Metta 101 212, Lagos, or write to the Company Secretary at the address of the registered office or the email address jbn.shareholders@julius-berger.com, to obtain a summary of the changes made in respect of Memart 2021.

Right to ask questions

Members have a right to ask questions, in writing prior to the meeting, on their observations or concerns arising from the AR & CFS 2020, provided that such questions in writing are submitted no later than June 11, 2021.

For ease of submission a dedicated email address, jbn.shareholders@julius-berger.com has been created to receive submissions from shareholders.

Dividend

If the dividend recommended by the Directors is approved by the members, the dividend will be paid on June 18, 2021, to members whose names appear in the Register of Members, as at the close of business on May 28, 2021 (qualification date).

Unclaimed dividends

The Company notes that some dividend warrants sent to shareholders are yet to be presented for payment and some shareholders are yet to mandate their bank accounts for the payment of e-dividends. Therefore, all shareholders with "unclaimed dividends" should address their claim(s) to the Registrars, Greenwich Registrars & Data Solutions 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 the mandate of their dividend(s), and use of the Central Securities Clearing System (CSCS).

Business of the Meeting

CAMA has introduced a new business to the agenda of meetings, "Remuneration of Managers".

The Companies Guidelines 2020 (Guidelines) issued by the CAC has defined a "Manager" in relation to disclosure of remuneration at AGM to include any person by whatever name called occupying a position in senior management and who is vested with significant autonomy, discretion, and authority in the administration and management of the affairs of a company (whether in whole or in part).

The remuneration of managers is stated in Note 13, page 100 of the AR & CFS 2020.

Special Business

The CAC has approved that the matters under Special Business be tabled at the AGM.

Group Policy on Severance Pay for Non-Executive Directors

The above Policy, on page 148, approved at the 50th AGM, has been revised to include a second cap, limiting the absolute pay-out to ₦25 million (twenty-five million Naira).

Julius Berger Nigeria Plc AR & CFS 2020 | Chairman's Statement

CHAIRMAN'S STATEMENT

Highlighted Projects

New awards

- Department of Petroleum Resources, New Headquarters, Abuja
- Office rehabilitation, Bill & Melinda Gates Foundation, Abuja
- Construction of Flyover at New GRA Junction and Dualization of Tombia Road, Port Harcourt
- Reconstruction of Oro-Abali and Rumuola Flyovers, Port Harcourt
- Rehabilitation of Township Roads at New GRA, Woji Road, Port Harcourt
- Regency Hotel, Lagos
- Maintenance of Governor's Residence, Lagos
- Construction of Access Roads to the Second River Niger Bridge, Linking Asaba and Onitsha, Phase 2A

Ongoing works

- Rehabilitation of Abuja-Kaduna-Zaria-Kano Road
- Office of the National Security Adviser, New Heaqdquarters, Abuja
- Bodo-Bonny Road, Rivers
- Second River Niger Bridge, Main Contract, Asaba/Onitsha
- International Worship Centre, Main Contract, Uyo
- Uyo Etinan Road, Akwa Ibom
- Lagos-Otta Road Phase 3
- Construction of Okoro-Nu-Odu and Rumuogba Flyovers, Port Harcourt
- Lagos-Shagamu Expressway
- Rehabilitation of Control Towers at Tincan Island Port and Lagos Port Complex, Apapa
- FAMFA Office Tower, Lagos
- Emergency Works at Ikoyi Roads, Lagos
- Odukpani-Itu-Ikot Ekpene Road

Completed works

- Technology Building/Data Communication & Control Centre at NIS, Abuja
- Okpai Power Plant, Phase 2, Delta
- Rehabilitation of eleven Roads in Rumuepirikom, Rivers
- Construction of Rebisi Flyover, Port Harcourt

Valued shareholders, distinguished ladies and gentlemen,

On behalf of the Board of Directors, I present you Julius Berger Nigeria Plc's 2020 Consolidated Financial Statements. In the reporting period Julius Berger Nigeria Plc performed positively. Notwithstanding the enduring global Covid-19 outbreak, the Company achieved an impressive turnover and ended the year with a positive cash status – a success that speaks to our enduring strength and ability to adapt to overcome challenges.

We started 2020 ready to celebrate Julius Berger Nigeria Plc's 50th Anniversary since incorporation as a Nigerian Company, buoyed by the Company's notable 2019 performance and robust first quarter 2020 results. The course of the year shifted dramatically with the unexpected rapid spread of COVID-19 and subsequent declaration that the outbreak was a pandemic. Life as we knew it quickly changed. Nations enacted shutdowns to fight the viral spread, limiting human interactions and leaving business transactions at a standstill. In addition to the painful human toll, the economic toll grew, as did the unprecedented logistics challenges with limited freight shipping, grounded flights, and closed borders.

The pandemic left no country untouched. Here in Nigeria, great efforts were made to curb the spread of the virus, to save lives and livelihoods. The Government responded promptly with the establishment of a dedicated task force and the enforcement of strict guidance to contain the virus. These measures proved successful considering Nigeria has not reported the high number of infections still being experienced by other nations, and thankfully, until now our country has recorded a lower death toll relative to several other countries. Still, Nigeria was not spared its share of painful losses. The Nigerian economy was severely impacted. The global decline in demand for oil led to a sharp fall in prices and sales – consequently reducing Nigeria's revenue and creating a FX scarcity that eventually led to the closure of the NAFEX exchange window. Intervention by the Central Bank of Nigeria to tackle the crisis could not keep exchange rates from fluctuating heavily. As the gap between parallel market and official rates of exchange widened, the Naira depreciated substantially, and inflation rates rose to up to 15%.

Julius Berger Nigeria Plc and its subsidiaries responded to the pandemic swiftly and with care. A crisis management team was established and a business continuity plan developed, to ensure timely planning and a strong alignment of mitigation and protection measures. We prioritised our staff's welfare by safeguarding their job security. We cared for our communities, activating a robust corporate social responsibility campaign with a dedicated budget of ₦750 million to support those hardest hit by the pandemic and provide backing for frontline workers fighting against the virus. We distributed over 100,000 kilograms of staple food supplies, donated needed resources, such as beds and personal protective equipment to hospitals and healthcare facilities, and supported Federal and State Governments' sanitation and logistics efforts.

"Looking forward, we remain cautiously optimistic, with the aim to develop our business further in the year 2021."

In parallel, we continued to contribute towards educational progress through the establishment of the FOCI-JBN Skills Academy, in collaboration with the Federation of Construction Industries and German Development Cooperation (GIZ), to shore up the skills of the men and women of the construction industry in the areas of masonry, plumbing and carpentry.

In line with the Government regulations, we carried out a planned and controlled shutdown of most sites and offices, enacting remote working to keep the Group running until we could all return fully to the workplace. Upon resumption, health and safety protocols were strictly observed to ensure we could continue to safely fulfil our duty to our clients and our country, by progressing construction works. We forged ahead with an enormous commitment from all to adapt to a new way of working and to make up lost time.

On site, projects of national priority financed via the Presidential Infrastructure Development Fund, such as the Abuja-Kaduna-Zaria-Kano Road, the Lagos-Shagamu Expressway and the Second River Niger Bridge, made strong headway. Construction across our numerous private and public sector projects also progressed, including several Flyovers in Port Harcourt, Office of the National Security Adviser in Abuja, the International Worship Centre in Uyo, as well as the Famfa Office Tower and the rehabilitation of Control Towers at Tincan Island Port and Lagos Port Complex. We continued to look towards the future, selectively tendering for key projects such as the Hyatt Regency Hotel in Lagos and the Department of Petroleum Resources new Headquarters in Abuja, both resulting in project wins. Furthermore, we achieved a Lost Time Injury Frequency Rate of 0.19, meaning the Company worked over 5 million man-hours for every Lost Time Injury (LTI). This is a record low that exemplifies our strong Health Safety and Environmental (HSE) commitments.

While we continued to strengthen our core construction business, we also maintained focus on our strategic targets. In 2020 the Board of Directors approved the Company's first diversification case and its implementation has already commenced. Diversification of our business remains a key pathway to advancing our growth potential over time, therefore I am especially pleased to share this progress.

Our subsidiaries were harder hit by the downturn of economic activities, yet they strived to overcome the challenging circumstances and continued to show progress. Julius Berger Medical Services Ltd. performed very well, delivering extraordinary health services during the pandemic. Amid its 30th anniversary, Abumet Nigeria Ltd. launched its innovative insulated glass production line under the brand EVONIGGLASS and relaunched its website. Julius Berger Services Nigeria Ltd. and PrimeTech Design and Engineering Nigeria Ltd. worked hard to sustain operational standards while servicing available clients. Julius Berger International GmbH faced extended lockdowns in Germany, but nonetheless, with extensive cost cutting they continued to operate with their goals in view.

It has not been an easy year. As a nation, we experienced the pandemic's all-encompassing impact on our personal and professional lives. As a Group, we overcame some of the worst moments by remaining agile in the face of great uncertainty and staying solutions oriented. I can confidently say, with our size and strength, and our relentless dedication, we have managed the crisis reasonably well.

In light of the successes realised, the Board of Directors are pleased to recommend a dividend of ₦0.40 per 50 Kobo ordinary share, resulting in a total gross dividend pay out of ₦633.6 million. The Board is also pleased to recommend a bonus issue of one new ordinary share for every ninety-nine existing ordinary shares already held. With this recommendation, the unissued shares in the capital of the Company shall be issued to achieve compliance with CAMA.

Despite the lockdowns and ensuing restrictions on movement of people and goods, as well as the numerous changes to norms in doing business, our Company has again proven that when times get tough, we get tougher. While we have persevered and overcome the obstacles of 2020, the difficulties we still face are numerous. We do not underestimate the hard work and perseverance it will continue to take to overcome them, but we also do not underestimate the strength of our resolve.

Looking forward, we remain cautiously optimistic, with the aim to develop our business further in the year 2021. We are hopeful this will be triggered by containment of COVID-19 and the return to unhindered economic activities in Nigeria and globally. This optimism comes from a balanced view, in seeing not only on the challenges, but also the opportunities. We firmly trust in science and technology and are reassured knowing that several vaccines have been developed in record speed and are currently being rolled out worldwide.

We will continue to strengthen our Group's strategic foundations to meet both our financial and operational targets. We will continue to progress Julius Berger Nigeria Plc's corporate development activities to achieve long-term diversification strategy regarding client mix and business areas - assessing, exploring and activating opportunities beyond our core construction business to strategically reduce risk, promote growth and strengthen cashflow and profitability. We will remain resilient and hardworking, maintaining our unwavering determination and total commitment to the nation and to excellence in all that we do.

Esteemed shareholders, thank you for trust, especially in these trying times. It is with your faithful support that Julius Berger Nigeria Plc remains a success story, a Company that sets the mark for quality and innovation and the highest standards of integrity. I ask you to join me in also honouring the tremendous dedication of our loyal staff, exemplified over the last year. Adjusting to a new way of working has not been an easy task. Thanks to the sacrifices made by every individual within the organisation, and their commitment to safeguarding colleagues and the Company, we have prevailed.

I assure you that the Board of Directors, Management and entire staff continue to work in your best interest to ensure that our great Company endures as a hallmark of success, in all areas of business we pursue.

Thank you.

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

Julius Berger Nigeria Plc AR & CFS 2020 | Board of Directors

BOARD OF DIRECTORS

Dr. Ernest N. Azudialu-Obiejesi

Mrs. Gladys O. Talabi

Mr. Karsten Hensel

Mr. Mutiu Sunmonu, CON
Chairman

Mrs. Belinda A. Disu, CAL

Mr. Ernest C. Ebi, MFR, FCIB, FIOD
Independent Director

Engr. Goni Musa Sheikh

Mr. Martin Brack
Financial Director

Engr. Jafaru Damulak

Engr. Dr. Lars Richter
Managing Director

Mr. Tobias Meletschus
Director Corporate Development

Mr. George Marks
Vice-Chairman

Alhaji Zubairu I. Bayi
Director Administration

Julius Berger Nigeria Plc AR & CFS 2020 | Directors' Profiles

DIRECTORS' PROFILES

Mr. Mutiu Sunmonu, CON, 65
Chairman

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 Julius Berger Investments Ltd., SanLeon Energy (UK) Plc, Petralon Energy Ltd., Alpha Mead Group, Coronation Insurance Plc | Director of Unilever Nigeria Plc

Mr. George Marks (German), 63
Vice-Chairman

BBA, DSc (HC), CNA
- Appointed Vice-Chairman with effect from December 6, 2018
- Appointed Director with effect from January 1, 2013

Member of the Association of National Accountants of Nigeria
Director of Centenary City Plc

Engr. Dr. Lars Richter (German), 45
Managing Director

Doktor-Ingenieur (Doctorate Civil Engineering), FNIQS
- Appointed Director and Managing Director with effect from October 16, 2018
- Joined the Company on June 1, 2002

Fellow of the Nigerian Institute of Quantity Surveyors
Member of the Council for the Regulation of Engineering in Nigeria (COREN)

Mrs. Belinda Ajoke Disu, CAL, 34
Non-Executive Director

BA (International Relations), MSc (Leadership), MNIM, MIOD
- Appointed Director with effect from June 30, 2017

Member of the Institute of Directors and the Chartered Institute of Management of Nigeria
Chairman of Abumet Nigeria Ltd. | Executive Vice Chairman of Globacom Ltd. | Chief Executive Officer of Cobblestone Properties & Estates Ltd. | Director of Mike Adenuga Center

Dr. Ernest Nnaemeka Azudialu-Obiejesi, 60
Non-Executive Director

BSc, MBA, DBA (HC), FNSE, FNISM
- Appointed Director on March 22, 2012

Fellow of the Nigerian Society of Engineers and the Nigerian Institute of Sales Management
Chairman of the Boards of Directors of Neconde Energy Ltd., Nestoil Ltd., WaterTown Energy Ltd., Smile Telecommunications Ltd., B&Q Dredging Ltd., Energy Works Technology Ltd., Royaloak Hydrocarbon Ltd., and others

Mrs. Gladys Olubusola Talabi, 64
Non-Executive Director

LLB, BL, LLM
- Appointed Director with effect from June 30, 2017

Director of Globacom Ltd.

Mr. Martin Brack (German), 57
Financial Director

Diplom-Volkswirt (MSc in Macroeconomics), CNA
- Appointed Director and Financial Director with effect from December 16, 2017
- Joined the Company on January 18, 2000

Member of the Association of National Accountants of Nigeria
Chairman of the Board of Directors of Julius Berger Medical Services Ltd. | Director of Julius Berger Services Nigeria Ltd., and Julius Berger FZE

Alhaji Zubairu Ibrahim Bayi, 62
Director Administration

BSc (Buildings), FNIOB, FNIM, MIOD
- Appointed Director and Director Administration with effect from January 1, 2013
- Joined the Company on February 2, 1984

Fellow of the Nigerian Institute of Building and Institute of Management Consultants
Member of the Institute of Directors
Director of Julius Berger Services Nigeria Ltd.

Mr. Tobias Meletschus (German), 41
Director Corporate Development

Diplom Wirtschaftsjurist (Graduate Business Law), LLM (Com), AIOD
- Appointed Director and Director Corporate Development with effect from October 16, 2018
- Joined the Company on August 9, 2012

Associate of the Institute of Directors
Director of Julius Berger Investments Ltd. and Abumet Nigeria Ltd.

Engr. Jafaru Damulak, 57
Non-Executive Director

B. Eng (Civil Engineering), MNSE
- Appointed Director on October 12, 2007

Member of the Nigerian Society of Engineers and the Council for the Regulation of Engineering in Nigeria (COREN)
Chairman of the Board of Directors of PrimeTech Design and Engineering Nigeria Ltd. and Julius Berger FZE | Managing Director of Elm Properties and Estate Development Company Ltd. | Director of NETCOM Africa Ltd. | Board Member, Duport Midstream Company Ltd.

Engr. Goni Musa Sheikh, 64
Non-Executive Director

BSc (Minerals Engineering), MSc (Minerals Processing and Design Engineering), FNSME, MNSE, MNMGS, ACSM, DIC
- Appointed Director with effect from July 1, 2019

Fellow of the Nigerian Society of Mining Engineers, Member of the Nigerian Society of Engineers, the Council of Registered Engineers of Nigeria (COREN), Council of Mining Engineers and Geoscientists and Nigerian Mining and Geosciences Society, Associate of the Camborne School of Mines, Diploma of the Membership of Imperial College
Executive Vice Chairman of the Board of Oriental Energy Resources Ltd. | Director of Ezikel Refinery Ltd. and Nigserve Energy Services Ltd.

Mr. Ernest Chukwudi Ebi, MFR, FCIB, 70
Independent Non-Executive Director

BBA (Marketing), MBA, FCIB, FIOD
- Appointed Director and Independent Non-Executive Director with effect from December 7, 2019

Fellow of the Chartered Institute of Bankers of Nigeria and the Institute of Directors
Chairman of the Boards of Agrited Nigeria Ltd., AIICO Pension Managers Ltd., Beloxxi Industries Ltd. and Julius Berger Services Nigeria Ltd. | Director of Dangote Cement Plc, Travelex Nigeria Ltd., Coronation Capital Ltd. and Coronation Asset Management Ltd.

Mr. Karsten Hensel (German), 63
Non-Executive Director

Diplom-Ingenieur (Masters in Architechture)
- Appointed Director with effect from December 7, 2019

Chief Executive Officer of Julius Berger International GmbH | Director of Julius Berger Investments Ltd.

Note: Information stated is as at the date of approval of the Consolidated Audited Financial Statements on March 24, 2021.

AFP is the state of the art furniture production facility of Julius Berger Nigeria Plc. AFP offers exceptionally high quality made-in-Nigeria furniture for both residential and commercial use, including corporate office, hotel and home furnishing solutions in a range of styles and customisable finishings.

A|F|P

REPORTS TO SHAREHOLDERS

for the year ended December 31, 2020

DIRECTORS' REPORT

The Directors are pleased to present to the members of Julius Berger Nigeria Plc at the 51st AGM, in a year that the Company celebrated its golden jubilee, their report on the business of the Group for the year ended December 31, 2020.

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 and they are stated below in alphabetical order, together with their principal activities:

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 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 %
Julius Berger International GmbH	Providers of logistical and technical support on an international level	June 24, 2008	100.0 %
Julius Berger Investments Ltd.	Investment company and managers	June 1, 2012	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 %
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 %
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 %

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

Julius Berger Nigeria Plc AR & CFS 2020 | Directors' Report

Group results	2020 ₦ 000	2019 ₦ 000
Revenue	241,779,455	266,430,227
Profit attributable to Group activities	7,285,688	7,558,102
Retained earnings	27,683,487	29,882,143

3. Results for the year

Comparative highlights of the operational results of the Group for the years ended December 31, 2019 and 2020 are as stated in the table above.

4. Review of business development

In the year under review, despite 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, 2020, which would affect the Consolidated Financial Statements.

5. Dividends and scrip

5.1 Dividend

The Directors are pleased to recommend to the members at the 51st Annual General Meeting, a final dividend for the year ended December 31, 2020, in the sum of ₦663.6 million representing ₦0.40 per 50 Kobo share, held in the equity of the Company, which dividend shall be subject to withholding tax at the appropriate rate at the time of payment.

5.2 Scrip

The Directors are pleased to recommend to members, in addition to the declaration of dividend, the capitalisation of the sum of ₦8 million (eight million Naira) from the retained earnings, to be distributed as fully paid-up ordinary shares to existing shareholders, whose name appears in the Register of Members as at the close of business on May 28, 2021, in the proportion of one new ordinary share for every ninety-nine existing ordinary shares held by them.

5.3 Unclaimed dividends

The list of shareholders with unclaimed dividends have been compiled and are attached to this document. Shareholders can also access the list from the Investors Relations page of the Company's website, www.julius-berger.com.

Shareholders are enjoined to carefully peruse this list. Shareholders who find their names on the list and have claimed their dividend(s) since December 31, 2020, should kindly ignore the said list. However, shareholders who are yet to claim their dividend(s) should contact the Company Secretary or the Registrars, Greenwich Registrars & Data Solutions Ltd.

6. Directors and Directors' interest and shareholding

6.1 Board of Directors in 2020

The Directors who served on the Board of the Company for the year ended December 31, 2020, were as follows:

- Mr. Mutiu Sunmonu, CON
- Mr. George Marks (German)
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Mrs. Belinda Ajoke Disu, CAL
- Mrs. Gladys Olubusola Talabi
- Engr. Dr. Lars Richter (German)
- Alhaji Zubairu Ibrahim Bayi
- Mr. Martin Brack (German)
- Mr. Tobias Meletschus (German)
- Engr. Goni Musa Sheikh
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD
- Mr. Karsten Hensel (German)

6.2 Directors for re-election

Mr. George Marks, Engr. Jafaru Damulak and Dr. Ernest Nnaemeka Azudialu-Obiejesi are the Directors retiring by rotation, in accordance with the provisions of S259 of CAMA and the Articles of Association. Mr. George Marks, Engr. Jafaru Damulak and Dr. Ernest Nnaemeka Azudialu-Obiejesi all being eligible, offer themselves for re-election.

The profiles of Directors for re-election are stated on pages 17 and 18 of the AR & CFS 2020.

6.3 Directors' interest

For the purposes of 301, 302 and 303 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 24.

7. Share capital and shareholding

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

7.1 Issued and fully paid share capital

At the Annual General Meeting held on June 18, 2020, the shareholders approved a Bonus issue of 264 million ordinary shares of 50 Kobo each to the existing Members of the Company whose name appears in the Register of Members as at the close of business on May 29, 2020, in the proportion of one new ordinary share for every five existing ordinary shares held by them.

The issued and paid-up share capital of the Company currently is ₦792 million made up of 1.584 billion ordinary shares of 50 Kobo each. The share capital history of the Company is stated on page 141.

Number of Directors' direct and indirect holdings as at	March 24, 2021	December 31, 2020	December 31, 2019
Mr. Mutiu Sunmonu, CON	1,200,000	1,200,000	1,000,000
Mr. George Marks	–	–	–
Engr. Jafaru Damulak	2,377,018	2,377,018	1,980,849
Dr. Ernest Nnaemeka Azudialu-Obiejesi – Indirect*	204,153,116	204,153,116	170,127,597
Mrs. Belinda Ajoke Disu, CAL – Indirect**	401,834,494	401,834,494	288,662,079
Mrs. Gladys Olubusola Talabi	–	–	–
Engr. Goni Musa Sheikh – Direct	75,768	75,768	63,140
Engr. Goni Musa Sheikh – Indirect***	261,360,000	261,360,000	217,800,000
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	–	–	–
Mr. Karsten Hensel	–	–	–
Alhaji Zubairu Ibrahim Bayi	558,742	558,742	465,619
Mr. Martin Brack	–	–	–
Engr. Dr. Lars Richter	–	–	–
Mr. Tobias Meletschus	–	–	–

*Watertown Energy Ltd., BOJ-ESL NOMINEE (Continental Acquisitions Ltd.), AAD ESL Nominee and Krawcod Properties Limited;
** Goldstones Estates Ltd., Bilton Securities Ltd., BATCO Integrated Syn Concepts;
*** NeptuneHill Company Ltd.

Beneficial ownership	Number of ordinary shares held as at March 24, 2021	Percentage holdings as at March 24, 2021	Number of ordinary shares held as at December 31, 2020	Percentage holdings as at December 31, 2020	Percentage holdings as at December 31, 2019
Goldstone Estates Ltd.	314,794,494	19.87 %	314,794,494	19.87 %	19.90 %
Neptune Hill Company Ltd.	261,360,000	16.50 %	261,360,000	16.50 %	16.50 %
Watertown Energy Ltd.	158,400,000	10.00 %	158,400,000	10.00 %	10.00 %
Ibile Holdings Ltd.	87,120,000	5.50 %	87,120,000	5.50 %	5.50 %
Benue Investment and Property Company Ltd.	81,652,430	5.15%	81,652,430	5.15%	5.02 %
Other shareholders including Governments	680,753,076	42.98 %	680,753,076	42.98 %	43.11%
Total	**1,584,000,000**	**100.0 %**	**1,584,000,000**	**100.0 %**	**100.0 %**

7.2 Beneficial ownership

The issued and fully paid-up share capital of the Company, as at December 31, 2020, and March 24, 2021, when the Consolidated Financial Statements were approved, were beneficially held as stated in the table above.

Apart from the shareholders presented in the table above, no other person(s) holds more than 5% and above of the issued and fully paid up shares of the Company.

7.3 Free float

The free float analysis of the issued and paid-up share capital of the Company, as at December 31, 2020, and March 24, 2021, when the Consolidated Financial Statements were approved, is as stated on page 26.

Julius Berger Nigeria Plc AR & CFS 2020 | Directors' Report

Free float	Number of ordinary shares held as at March 24, 2021	Percentage holdings as at March 24, 2021	Number of ordinary shares held as at December 31, 2020	Percentage holdings as at December 31, 2020	Percentage holdings as at December 31, 2019
Strategic holding	1,018,477,274	64.30%	1,018,477,274	64.30%	67.80%
Directors' direct shareholding	4,211,528	0.27 %	4,211,528	0.27 %	0.30 %
Staff schemes	–	–	–	–	–
Free float	561,311,198	35.44 %	561,311,198	35.44 %	31.93 %
Total	**1,584,000,000**	**100.0 %**	**1,584,000,000**	**100.0 %**	**100.0 %**

7.4 Share range analysis

Share range as at December 31, 2020	Number of shareholders	Percentage of shareholders	Number of units held	Percentage shareholding
1 – 500	2,773	21.30 %	461,636	0.03 %
501 – 1000	1,189	9.13 %	861,547	0.05 %
1,001 – 5,000	3,912	30.05 %	10,151,627	0.64 %
5,001 – 10,000	1,702	13.07 %	12,033,952	0.76 %
10,001 – 25,000	1,751	13.45 %	26,789,917	1.69 %
25,001 – 100,000	1,223	9.39 %	59,612,794	3.76 %
100,001 – 500,000	358	2.75 %	71,442,912	4.51 %
500,001 – 1,000,000	54	0.41 %	36,127,212	2.28 %
1,000,001 – and above	56	0.43 %	1,366,518,403	86.27 %
Total	**13,018**	**100.0 %**	**1,584,000,000**	**100.0 %**

Corporate Social Responsibility	₦
Education / Human Capital Development	180,000
Community Development and Inclusivity	79,332,237
Emergency Response	60,000
COVID-19 Response	322,680,558
Total	**402,252,795**

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 16 on pages 104 to 105. In the opinion of the Directors, the market value of the properties, plant and equipment is not less than the value shown in the accounts.

9. Donations and CSR initiatives

During the year 2020, the Company undertook Corporate Social Responsibility (CSR) initiatives, especially to celebrate its 50th Anniversary and to combat the socio-medical effects of COVID-19, shown in the table above, valued at ₦402.2 million (2019: ₦130.1 million) and made donations amounting to ₦173.5 million (2019: ₦15 million) as shown in the table on page 28.

In compliance with S43(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

A technical services agreement executed between the Company and Julius Berger International GmbH, is registered with the National Office for Technology / Acquisition and Promotion (NOTAP).

Donations	₦
COVID-19 Response	170,000,000
Multiple Schools	2,000,000
Ahmadu Bello University	1,000,000
Lagos Grassroots Soccer	500,000
Total	**173,500,000**

12. Suppliers

The significant suppliers to the Company domestically and internationally are:

- African Foundries Limited
- B&Q Dredging Limited
- C. Woermann (Nigeria) Limited
- Dangote Cement Industries Limited
- Dantata & Sawoe Construction Company (Nigeria) Limited
- Julius Berger International GmbH
- Lafarge Africa Plc
- Mantrac Nigeria Limited
- Prudent Energy and Services Limited
- Ringardas Nigeria Limited
- Total Nigeria Limited
- Zeberced Limited

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 Consolidated Financial Statements for the year ended December 31, 2020, which have 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, 2020, there were 41 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 coverage is provided for 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 N42, Laws of the Federation of Nigeria 2004.

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

14.3 Involvement and training

The consultative media for the dissemination of information, and involvement in matters concerning the staff and Group affairs, were functional in the period under review.

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 18, 2020, in accordance with S359 (3) of CAMA 2004 were:

- Brig. Gen. Emmanuel Ebije Ikwue, GCON, Chairman
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD, Member
- Sir Sunday Nnamdi Nwosu, KSS, Member
- Engr. Jafaru Damulak, Member
- Chief Timothy Ayobami Adesiyan, Member
- Dr. Ernest Nnaemeka Azudialu-Obiejesi, Member

The committee met in accordance with the provisions of S359 of CAMA 2004 and S404 of CAMA 2020 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 Code of Corporate Governance of the Securities and Exchange Commission and the Nigerian Code of Corporate Governance 2018 (the Codes) as well as the regulations of the NSE and the Securities and Exchange Commission (SEC), the Regulators. 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 Codes and the regulatory requirements of the Regulators.

By order of the Board,

Mrs. Cecilia Ekanem Madueke
Company Secretary
FRC / 2017 / NBA / 00000017540

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

March 24, 2021

CORPORATE GOVERNANCE REPORT

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 Codes 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, 2020, the Board comprised of thirteen members, nine of whom were Non-Executive Directors, one of whom is the Chairman and another the Independent Non-Executive Director, and four Executive Directors. Profiles of the Directors, in particular the Directors standing for election and re-election, are stated on page 23 in this document.

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. Upon appointment, new Directors undergo an induction process to acquaint them of their role, responsibilities, duties, power and liabilities as well as to have an overview of the environment in which they would deploy their role, responsibilities, duties, power and liabilities. Directors, at the expense of the Company, are required to undergo relevant continuing education programs to sharpen their knowledge and skills. The Directors are bound by the Code of Business Conducts and Ethics for Directors and Management on page 149, to which they are all signatories.

The Board, by its Charter, 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 Directors.

The following matters are specifically and exclusively reserved for the Board:

- The strategic direction goals, business ethics and corporate behaviour of the Group;
- Capital expenditure, acquisitions and disposals, approval of the Group's investment objectives and strategy;
- The integrity of Group financial information and approval of Group annual and interim results;
- The structure of the Group's system of internal control and enterprise-wide risk management process;
- Material borrowings and any issue of equity securities;
- Information Technology and information dissemination;
- Succession planning, appointment, remuneration, and removal of the Board, Directors and senior Management;
- Dividend Policy;
- The formal and rigorous review annually of its own performance, that of its committees and individual Directors; and
- The Company's corporate governance arrangements and complaince review.

The Board has sole authority for the following:

- Vision and mission
- Policy and planning approvals
- Stewardship and sustainability
- Monitoring
- Accountability
- Compliance review

Director	Designation	Cumulative number of years on Board *	Mar. 11, 2020	Apr. 11, 2020	Apr. 24, 2020	Apr. 25, 2020	Jun. 17, 2020	Sep. 22, 2020	Dec. 3, 2020	Executive Session Oct. 26, 2020	Executive Session Oct. 27, 2020
Mr. Mutiu Sunmonu, CON	Chairman	7 years	•	•	•	•	•	•	•	•	•
Mr. George Marks	Vice-Chairman	23 years	•	•	•	•	•	•	•	•	•
Engr. Jafaru Damulak	Director	14 years	•	•	•	•	–	–	–	•	•
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Director	10 years	•	•	•	•	•	•	•	•	•
Mrs. Belinda Ajoke Disu, CAL	Director	4 years	•	•	•	•	•	•	•	•	•
Mrs. Gladys Olubusola Talabi	Director	4 years	•	•	•	•	•	•	•	•	•
Engr. Dr. Lars Richter	Managing Director	3 years	•	•	•	•	•	•	•	•	•
Alhaji Zubairu Ibrahim Bayi	Director Administration	9 years	•	•	•	•	•	•	•	•	•
Mr. Martin Brack	Financial Director	4 years	•	•	•	•	•	•	•	•	•
Mr. Tobias Meletschus	Director Corporate Development	3 years	•	•	•	•	•	•	•	•	•
Engr. Goni Musa Sheikh	Director	1 year	•	•	•	•	•	•	•	•	•
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Independent Director	1 year	•	•	•	•	•	•	•	–	•
Mr. Karsten Hensel	Director	1 year	•	–	–	•	•	•	•	•	•

Key: • Present; – Absent with apologies

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.

The Board and its committees have 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. The Board meets formally, at least once every quarter, as the needs of the Company may determine. There is provision in the Articles of Association for less formal meetings of the Board or its committees by electronic communications as well as decisions of the Board or committees by resolutions in writing and these two methodologies, the Board and its committees used as their needs demanded.

Risk and Assets Management Committee	Designation	April 30, 2020	June 16, 2020	September 21, 2020	December 2, 2020
Engr. Goni Musa Sheikh	Chairman	▪	▪	▪	▪
Mr. George Marks	Member	▪	▪	▪	▪
Engr. Dr. Lars Richter	Member	▪	▪	▪	▪
Mrs. Gladys Olubusola Talabi	Member	▪	▪	▪	▪
Mr. Martin Brack	Member	▪	▪	▪	▪

Key: ▪ Present

Board Audit Committee	Designation	January 23, 2020	April 24, 2020	July 24, 2020	October 28, 2020	December 1, 2020
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Chairman	▪	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪	▪
Mrs. Belinda Ajoke Disu, CAL	Member	▪	▪	▪	▪	▪

Key: ▪ Present

The Board met formally four times in the financial year 2020. In addition, the Board held an Executive Session from October 26, 2020 to October 27, 2020. Attendance by the Directors at meetings and sessions are as stated on page 32.

The Board has in place a system to evaluate its performance and that of its committees. By the evaluation of the Board and its Committees for the Financial Year ending December 31, 2020, the governance bodies performed well.

Julius Berger is rated under the Corporate Governance Rating System (CGRS) of the NSE conducted in conjunction with the Centre for Business Integrity (CBI).

2. Committees

2.1 Board Committees

In discharging its oversight responsibilities, the Board makes use of various committees, standing and ad-hoc. Each committee has an indepth 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 Charters of the committees. Members of Management are invited to attend committee meetings, to brief the committees on agenda items related to their areas of responsibilities from time to time.

Remuneration Committee	Designation	March 10, 2020	June 16, 2020	September 21, 2020	November 26, 2020
Mr. George Marks	Chairman	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪
Mrs. Belinda Ajoke Disu, CAL	Member	▪	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Member	▪	–	–	▪

Key: ▪ Present; — Absent with apologies

Nominations and Governance Committee	Designation	March 10, 2020	June 16, 2020	October 6, 2020	September 21, 2020	December 2, 2020
Mrs. Gladys Olubusola Talabi	Chairman	▪	▪	▪	▪	▪
Mr. George Marks	Member	▪	▪	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Member	▪	–	▪	–	▪

Key: ▪ Present; — Absent with apologies

All the governance committees report directly to the Board regarding committee activities, issues and related recommendations and decisions, while the Statutory Audit Committee is further required to issue a report to the shareholders in the terms specified by CAMA. The Board has the sole responsibility for determining the responsibility, membership and chair of the committees it established.

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

2.1.1 Risk and Assets Management Committee

This committee is responsible for

- Assisting the Board in its oversight of:
  - Risk and the risk management framework
  - The assets of the Group and its uses
  - The financial obligation of the Group and its uses
- Evaluation and approval of third party arrangements
- Approval of projects and the underlying proposals

Statutory Audit Committee	Designation	March 10, 2020	July 23, 2020	December 1, 2020
Brig. Gen. Emmanuel Ebije Ikwue, GCON - Chairman of the Committee on July 23, 2020	Chairman / Member	▪	▪	▪
Sir Sunday Nnamdi Nwosu - Chairman of the Committee until July 23, 2020	Chairman / Member	▪	▪	▪
Chief Timothy Ayobami Adesiyan	Member	▪	▪	▪
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Member	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Member	▪	–	▪
Engr. Jafaru Damulak	Member	▪	▪	▪

Key: ▪ Present; – Absent with apologies

The Risk and Assets Management committee met formally four times in the financial year ended December 31, 2020. The membership of the committee and the attendance by members at meetings are as stated on page 33.

2.1.2 Board Audit Committee

This committee is responsible for:

- The review and integrity of the Consolidated Financial Statements, including the annual, half-year and quarterly reports and Group results
- 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
- The review of the whistle blowing structures and policies of the Company
- The review and approval of the Company's CSR obligations
- Consideration of related party transactions
- The oversight of related party disclosures

This committee met formally five times in the financial year ended December 31, 2020. The membership of the committee and the attendance by members at meetings were as stated on page 33.

2.1.3 Remuneration Committee

This committee, comprised only of Non-Executive Directors, is responsible for:

- Development of strategies, framework and policies for remuneration to ensure that Group objectives are met
- Top level establishment issues particularly on compensation and matters relating to the boards in the Group ensuring the alignment of Human Resources policies with the remuneration structures and strategies set by the Board

This committee met formally four times in the financial year ended December 31, 2020. The membership of the committee and the attendance by members at meetings are as stated on page 34.

2.1.4 Nominations and Governance Committee

This committee, comprised only of Non-Executive Directors, is responsible for:

- The effectiveness, evaluation and adequacy of the corporate governance framework, policies and structures as well as the strategic development and entrenchment thereof the Group
- Top level leadership and establishment issues particularly on selection, appraisal and corporate succession planning, matters relating to board(s) nominations and appointments, composition, performance and appraisal
- Monitoring and keeping under review the effectiveness of the compliance function and framework in ensuring adherence to applicable laws and regulations

This committee met formally five times in the financial year ended December 31, 2020. The membership of the committee and the attendance by members at meetings are as stated on page 34.

Attendance of Directors at AGM	June 18, 2020
Mr. Mutiu Sunmonu, CON	▪
Mr. George Marks	▪
Engr. Jafaru Damulak	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	–
Mrs. Belinda Ajoke Disu, CAL	▪
Mrs. Gladys Olubusola Talabi	▪
Engr. Dr. Lars Richter	▪
Alhaji Zubairu Ibrahim Bayi	▪
Mr. Martin Brack	▪
Mr. Tobias Meletschus	▪
Engr. Goni Musa Sheikh	▪
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	▪
Mr. Karsten Hensel	▪

Key: ▪ Present; – Absent with apologies

2.2 Statutory Audit Committee

This committee is a statutory creation, established in strict compliance with S359 (3) of CAMA 2004 and whose role is also under the purview of the Codes. The committee's composition, membership and responsibilities are as determined by S359 (3) of CAMA 2004.

Current membership of the committee is comprised of three shareholders and three Directors who were appointed for the financial year 2020 at the AGM held on June 18, 2020. Membership of this committee would now be as dictated by S404 of CAMA 2020

This committee met three times in the financial year ended December 31, 2020. The membership of the committee and the attendance by members in the financial year ended December 31, 2020, are as stated on page 35.

The chairman of this committee is always a shareholder.

3. The shareholders

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

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

In the financial year 2020, consequent upon the restrictions placed by governments to curb the COVID-19 pandemic in Nigeria, the 50th AGM was structured as a Meeting by proxies, through the use of preselected proxies for shareholders.

The structure adopted for the 50th AGM was based on the S230 of CAMA 2004 which provided that a shareholder may attend the meeting of members in person or by proxy and the guideline issued by the CAC on the convening and conduct of AGMs under the COVID-19 restrictions, as further amended (the Guidelines). Upon the application by the Company based on the Guidelines, the CAC by approvals given by emails approved the following, subject to extant laws:

- Convening the 50th AGM by proxies
- Inclusion of Special Business to be passed by ordinary resolution in the Agenda for the Meeting.

The members met in AGM on June 18, 2020. At the close of the Meeting, there were 16 shareholders and 295 proxies. Attendance by the Directors, physically and virtually, is as stated on page 36.

Julius Berger Nigeria Plc AR & CFS 2020 | Corporate Governance Report

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 four Executive Directors, Chief Executive Officers of Subsidiaries, as well as the Senior Management comprised of Heads of Regions and strategic 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, which guides 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 Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the Policy in the year 2020.

6.2 Complaints management framework

In compliance with the rules and regulations of the SEC and NSE, 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 and other governance documents are published on and can be downloaded from the website of the Company at www.julius-berger.com.

SUSTAINABILITY REPORT

1. Preface

Sustainability is a central component of Julius Berger Nigeria Plc's business principles and operational culture. The Company's value system is built on the belief that it's duty is to act as a socially responsible organisation by providing lasting engineering and construction solutions in a manner that ensures the wider interests of employees, customers, suppliers, communities and the natural environment are taken into account, while simultaneously considering the success and growth of the business. Accordingly, the sustainable impacts of business activities are continually assessed to proactively promote transparent and ethical behaviour consistent with sustainable development, through strategy, structures, policy directions and accountability – with a holistic focus across all levels of the Company's value chain.

In support of sustainability commitments, the Company has pledged alignment with the ten universal principles of the United Nations Global Compact. The sustainability approach of the Company further encompasses the economic, environmental, social and governance principles principally espoused by the Nigerian Stock Exchange.

2. Governance

Julius Berger Nigeria Plc recognises that effective corporate governance is an important driver of stakeholder value. Therefore, the businesses of the Company and its subsidiaries (Group) are based on governance structures, increasingly open procedures and practices that ensure ethical conduct and practices, transparent and timely disclosure, as well as compliance with relevant laws and regulatory bodies.

The Group holds itself accountable for being honest, fair and respectful in all aspects of its business, and operates in a zero tolerance atmosphere for any actions that could be perceived as contrary to these standards. Advocacy positions are consistent with governance guidelines and the Group's businesses are members to various trade and industry associations. The Statement of Business Principles provides direction to employees in the execution of their day-to-day activities. The Statement is intended to serve as an important guideline and assist in adherence to uncompromising standards of business ethics and integrity at all levels and across value chains. The Company continues to take initiative to promote and educate key personnel on all aspects of the Corporate Governance Policy according to the following Governance Policies which are in place:

- Statement of Business Principles
- Corporate Compliance Programme
- Code of Conduct
- Code for Business Conduct and Ethics for Directors and Management
- Code of Conduct for Subcontractors and Suppliers
- Third Party Guidelines
- Securities Trading Policy
- Complaints Management Policy
- Whistle Blowing Policy
- Gift Policy

3. Economic

Julius Berger Nigeria Plc and its subsidiaries provide lasting quality products and services that promote safe and contribute to sustainability throughout their life cycle, taking into account the general wellbeing of clients and that of society. The Group implements and maintains a Quality Management System, the scope of which for Julius Berger Nigeria Plc covers conception, integrated design and engineering, procurement and construction of civil, building, infrastructure and industry projects, facility service and maintenance and provision of technical and administrative services associated with the project-realisation.

The Quality Management system is certified to comply with ISO 9001:2008. The criteria for certification considers several quality management principles, including a strong customer focus, as well as the process approach and continual improvement of the organisation – to ensure that customers consistently benefit from good quality services.

The Company carries out research and technology transfer by commissioning research and engaging in opportunities to share knowhow on technical innovations in the field of engineering and construction across professional and educational platforms, for implementation of advanced construction-related methodologies, procedures and solutions. Such innovations have positive impact on project sites and support the progress of best practice standards in the Nigerian building and construction sector as a whole. The Company carries out responsible procurement practices and encourages subcontractors and suppliers to fulfil the highest standards and to bring state-of-the-art technology into their trade.

4. Social

Julius Berger promotes the wellbeing of all employees. The Company's goal is to enhance the skills of staff via training programs that contribute to capacity building and professional development, thereby reinforcing the specialised know-how needed to deliver high quality workmanship and superior performance. These actions support to sustain long-term employment of Company staff and lead to higher employability rates for Nigeria's workforce.

It is the policy of Julius Berger Nigeria Plc that there should be no discrimination in considering applications for employment. All employees are given equal opportunities to develop their experience and knowledge, and to qualify for promotion in furtherance of their careers. The Company does not engage in any form of illegal employment or undeclared employment. Compliance with all statutory requirements and provisions has top priority in the Company's employment relationships with staff. This applies particularly to compliance with the standards set under labour law and to Company's obligations in respect of social insurance agencies and pension benefit institutions.

The Company encourages Freedom of Association amongst employees with terms and conditions of service prescribed and recognised by the Nigeria Labour

Law on the platform of the National Joint Industrial Council (NJIC), the Federation of Construction Industry (FOCI) and the Construction & Civil Engineering Senior Staff Association (CCESSA) on one hand and the National Union of Civil Engineering, Construction, Furniture & Wood Workers (NUCECFWW) on the other hand.

Julius Berger Nigeria Plc recognises the role of host communities. The Company works to forge and foster good relations to promote social and economic inclusivity by supporting community-based initiatives, local business and the local workforce, to the extent possible, thereby ensuring that the immediate environments in which the Company and its subsidiaries operate are positively impacted and elevated by business activities.

Philanthropy and Social Welfare have permanently been part of the Company's ethos. Investments are made to support and implement programs that foster healthy environments for human development, as a means to improve accessibility and positively influence social wellbeing. Pillars of focus include education and literacy improvement, promotion of youth sports, assistance in response to emergency situations to protect the public, and in the area of healthcare, malaria prevention as well as HIV/AIDS awareness and prevention. As such Julius Berger Nigeria Plc is a proud and founding member of NIBUCCA, the Nigerian Business Coalition Against AIDS.

5. Environment

Julius Berger Nigeria Plc's goal is to operate and grow responsibly with an eye towards minimising the impact of operations on the environment while promoting environmental stewardship and protection. The Company is fully compliant with the Environmental Laws of Nigeria and conducts Environmental Impact Assessments, Environmental Audits and regular Environmental Compliance monitoring for all its facilities. The Company implements health, safety and environmental (HSE) policies and procedures predicated against the principles of OSHAS 18001 and ISO 14001 and benchmarked against national and global standards, encouraging continual improvement of HSE performance.

Each project develops its own Environment Management Plan in accordance with the Nigerian Federal and State Environmental laws and regulations, the Company's Environmental policy and the Client's environmental requirements. During the Environmental Impact Assessments (EIA) process there is consultation with the local community as the Company actively seeks to ensure that disruption to the local communities is minimised so far as is reasonably practicable. Environmental compliance is also monitored within the Company's Monthly HSE Report and as part of the Quarterly HSE Audit. Operations are planned in such a way to minimise waste. The Project Environmental and Waste Management Plan is based upon the Waste Management Principles of reduce, recycle and reuse.

The Company's fleet modernisation provides a disciplined process to deliver operational and technical modifications to its fleet in the most operationally and cost-efficient way. The Company's fleet generation takes into account, reduction of fuel consumption, exhaust emission and low-cost effective maintenance.

HEALTH, SAFETY & ENVIRONMENT REPORT

That people should be able to come to work, work safely and go home safely to their families is the underlying principle that underpins Julius Berger Nigeria Plc's Health, Safety and Environmental (HSE) Management System.

Julius Berger Nigeria Plc firmly believe that effective Health, Safety and Environmental policies and procedures not only allows us to protect our staff and the environment in which the Company operates, but also act as a key contributor to the operational success of the Company.

The robust and comprehensive COVID-19 protocols that the Company have put in place, with respect to its offices and operational sites, has enabled operations to continue, whilst ensuring that staff are protected during the pandemic.

The Company continue to invest heavily in HSE training for staff at all levels within the organisation and COVID-19 awareness training has been a priority throughout 2020. The Company is fully aware that providing staff with the required knowledge and skills empowers them to work safely and productively.

2020 has seen Julius Berger Nigeria Plc achieve a record HSE performance level. A Lost Time Frequency Rate (LTIFR) of 0.19 is an indicator of world class HSE performance, put simply Julius Berger Nigeria Plc have less than 1 Lost Time Injury for every five million man-hours that worked.

Julius Berger Nigeria Plc refuse to accept that any accident is inevitable and will therefore continue to aspire to be a Company that is Injury and Incident Free. The Company will continue to improve HSE culture by investing and providing the resources required for continuous improvement in HSE performance.

RISK MANAGEMENT REPORT

Julius Berger Nigeria Plc and its subsidiaries' risk management framework provides for proactive identification, documentation, assessment and control of risk. Analysis and monitoring mechanisms support decision making to minimise negative impact of risk exposure. Risks posing the greatest potential for harm, both in terms of likelihood and consequence, are identified as:

Market risk

The economic environment and performance of the financial market in Nigeria have a direct impact on the business of Julius Berger Nigeria Plc and its subsidiaries operating in Nigeria. As such, the Group counterbalances market risks such as credit and liquidity risk, interest rate risk and currency risk, which have had adverse negative effects as has been seen with exchange rate shifts in Nigeria, through planning and monitoring instruments, including a high degree of diversification and a medium-low risk predictive portfolio profile.

Operational risk

The construction sector is inherently complex and vigorous in nature, involving multiple processes, various stakeholders and projects lifecycles spanning years in length, leading to a high degree of operational risks. Such risks include the

"Julius Berger Nigeria Plc and its subsidiaries' risk management framework includes analysis and monitoring mechanisms, supporting decision making to minimise risk exposure"

selection of projects, based on technical capability and the capacity of the Group, the establishment contractual conditions as well as payment planning and security parameters. Procurement of materials and machinery, logistics and human resources as well as environmental factors must also be assessed. The Group manages this risk through a comprehensive and multifaceted project-controlling framework. Additionally, throughout the life of the project, contracts are continuously subject to commercial, technical and legal review as a means of regulation.

Compliance risk

Julius Berger Nigeria Plc and its subsidiaries maintain a high level of awareness to mitigate and manage compliance risk. All business activities abide by Nigerian laws and regulations, including industry-specific ordinances and codes of conduct. The Group manages this risk through a high organisational standard of practice. An integrated compliance system provides structures and policies to ensure effective governance; monitoring mechanisms ensure timely identification of non-compliant events and thorough investigation. This includes Complaint Management and Whistle Blowing Policies, 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 processes to meet the fundamental objective of ensuring the security, confidentiality, integrity and availability of its information assets. Given the fast paced nature of technology and therefore, the possibility for new threats and vulnerabilities to emerge daily, comprehensive monitoring controls are continuously evaluated and updated as required. 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. Hardware and software products in use are largely standardised and procured from leading manufacturers. Applicable security guidelines are regularly adapted to the latest technical developments.

Reputational risk

The reputation of Julius Berger Nigeria Plc and its subsidiaries is a tremendous asset, which has potential to be damaged by a vast number of internal and external factors, including accidents on project sites, damage to the environment, actual or alleged deficits and errors in the Group's performance, as well as compliance violations. To counteract reputational risks within the control of daily operations, the company prioritises the strict adherence to Health, Safety, Environment and Quality Management Policies and Procedures, across all activities, products and services. Furthermore, the Company follows best practice standards in regards to communication and cooperation with clients and host communities.

Abumet Nigeria Ltd. is a leading solutions provider for the planning, processing and installation of aluminium and glass products, from single standard windows to sophisticated facades and large-scale design masterpieces.

ABUMET

FINANCIAL INFORMATION

for the year ended December 31, 2020

STATEMENT OF DIRECTORS' RESPONSIBILITY

By the provisions of S377 and S378 of CAMA, the Directors are responsible for preparation of the Consolidated 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 Codes to issue this statement in connection with the preparation of the Consolidated Financial Statements for the year ended December 31, 2020.

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 Consolidated 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;
- 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 Consolidated 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. Dr. Lars Richter
Managing Director
FRC/2019/COREN/00000019602

March 24, 2021

CERTIFICATION OF FINANCIAL STATEMENTS

Pursuant to S7 (2) of the FRCN Act, 2011 and S405 of CAMA, we have reviewed the Annual Reports and Consolidated Financial Statements of Julius Berger Nigeria Plc and its subsidiaries for the year ended December 31, 2020.

Based on our knowledge, the Consolidated 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.

The Consolidated 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, 2011) 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 Consolidated Financial Statements for the year ended December 31, 2020, appear to be true, correct and up to date.

Engr. Dr. Lars Richter
Managing Director
FRC/2019/COREN/00000019602

Mr. Martin Brack
Financial Director
FRC/2014/ANAN/00000006481

March 24, 2021

REPORT OF THE STATUTORY AUDIT COMMITTEE

In compliance with S404 (4) 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 S404 (1) and (2) of CAMA, the Consolidated Financial Statements for the year ended December 31, 2020, and the reports thereon, and would state 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

- Brig. Gen. Emmanuel Ebije Ikwue, GCON
- Sir Sunday Nnamdi Nwosu, KSS
- Chief Timothy Ayobami Adesiyan
- Mr. Ernest Chukwudi Ebi, MFR, FCIB
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Engr. Jafaru Damulak

Signed on behalf of the Committee by,

Brig. Gen. Emmanuel Ebije Ikwue, GCON
Chairman of the Statutory Audit Committee
FRC / 2015 / IODN / 00000011209

March 19, 2021

Nexia Agbo Abel & Co

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Utako District
Abuja - Nigeria.

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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 2020, 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 53 to 134.

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 2020 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 2020 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 these matters.

Revenue recognition	
See note 3.6 and note 8 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. The Group has adopted IFRS 15 - Revenue from Contract with Customers. There is a risk of wrong application of the standard.	- 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 identify the contracts with customers and the performance obligations contained therein. - We reviewed the allocation of contract price to the performance obligations contained in the contracts. We also reviewed Certificates of Valuation to ensure that revenue is recognised only when an agreed performance obligation is satisfied in accordance with contract. - 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 recognised in the right period.

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 statemer

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Companies and Allied Matters Act 2020, 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

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 Fifth Schedule of the Companies and Allied Matters Act 2020, 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.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
0460396

Abel Onyeke, FCA - FRC/2012/ICAN/00000000119
for: **Nexia Agbo Abel & Co**
Chartered Accountants
Abuja, Nigeria
24 March 2021

Julius Berger Nigeria Plc AR & CFS 2020 | Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

	Note	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Assets					
Non-current assets					
Property, plant and equipment	16	45,567,163	42,769,660	42,315,804	39,700,230
Right-of-use assets	18	14,267,877	13,457,535	1,957,975	1,918,354
Goodwill	19.1	11,393,512	9,268,642	–	–
Other intangible assets	19.2	2,074,253	2,262,821	–	–
Investment property	20	1,972,907	1,792,431	1,972,907	1,792,431
Investment in subsidiaries	21.1	–	–	16,916,771	16,916,771
Other financial assets	21.2	2,305,606	2,048,547	–	–
Trade and other receivables	24	64,847,570	52,908,763	64,847,570	52,908,763
Tax receivable	25	28,182,927	24,400,384	27,408,092	23,566,705
Deferred tax assets	14.3	4,413,990	3,798,902	4,011,003	3,617,728
Total non-current assets		**175,025,805**	**152,707,685**	**159,430,122**	**140,420,982**
Current assets					
Inventories	22	16,537,762	19,520,759	15,340,561	17,858,004
Trade and other receivables	24	98,344,953	102,257,374	94,155,705	97,791,093
Tax receivable	25	2,349,524	3,478,209	2,063,572	3,302,643
Contract asset	26	1,646,457	1,539,910	–	–
Cash and cash equivalents		34,931,861	34,133,479	20,253,663	13,482,732
		153,810,557	**160,929,731**	**131,813,501**	**132,434,472**
Assets classified as held for sale	17	105,873	23,252	103,141	21,553
Total current assets		**153,916,430**	**160,952,983**	**131,916,642**	**132,456,025**
Total assets		**328,942,235**	**313,660,668**	**291,346,764**	**272,877,007**
Equity and liabilities					
Equity					
Share capital	27	792,000	660,000	792,000	660,000
Share premium	27	425,440	425,440	425,440	425,440
Foreign currency translation reserve		15,987,480	9,303,052	–	–
Retained earnings		27,683,487	29,882,143	21,546,928	19,308,730
Equity attributable to owners of the Company		**44,888,407**	**40,270,635**	**22,764,368**	**20,394,170**
Non-controlling interests	28	59,195	57,357	–	–
Total equity		**44,947,602**	**40,327,992**	**22,764,368**	**20,394,170**
Non-current liabilities					
Borrowings	29.2.1	5,503,437	7,273,975	5,503,437	7,273,975
Deferred tax liabilities	14.3	8,498,928	8,730,298	7,694,250	7,508,543
Contract liabilities	23.1	167,360,747	169,930,198	167,360,747	169,930,198
Retirement benefit liabilities	30.2	4,615,549	3,334,920	3,224,121	2,062,135
Trade and other payables	31	6,173,492	9,027,064	2,013,598	4,867,170
Lease liabilities	32	14,248,730	13,468,417	417,324	476,568
Provisions	33	1,216,352	873,946	300,000	300,000
Total non-current liabilities		**207,617,235**	**212,638,818**	**186,513,477**	**192,418,589**
Current liabilities					
Contract liabilities	23.1	517,421	191,166	–	–
Bank overdrafts	29.1	19,301,811	6,211,311	19,301,811	6,211,311
Borrowings	29.2.1	2,310,386	1,818,494	2,310,386	1,818,494
Retirement benefit liabilities	30.1	340,301	148,450	326,730	136,141
Trade and other payables	31	49,720,753	47,026,280	57,611,546	47,988,316
Lease liabilities	32	1,561,390	1,370,703	179,908	179,908
Current tax payable	14.2	2,625,336	3,927,454	2,338,538	3,730,078
Total current liabilities		**76,377,398**	**60,693,858**	**82,068,919**	**60,064,248**
Total liabilities		**283,994,633**	**273,332,676**	**268,582,396**	**252,482,837**
Total equity and liabilities		**328,942,235**	**313,660,668**	**291,346,764**	**272,877,007**

These Consolidated Financial Statements on pages 53 to 134 were approved by the Board of Directors on March 24, 2021 and signed on its behalf by:

Engr. Dr. Lars Richter
Managing Director
FRC/2019/COREN/00000019602

Mr. Martin Brack
Financial Director
FRC/2014/ANAN/00000006481

The accounting policies on pages 69 to 89 and notes on pages 90 to 134 form part of these Consolidated Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Revenue	8	241,779,455	266,430,227	235,206,675	243,488,979
Cost of sales		(193,519,528)	(206,310,783)	(189,667,229)	(197,868,072)
Gross profit		**48,259,927**	**60,119,444**	**45,539,446**	**45,620,907**
Marketing expenses		(287,848)	(139,683)	(245,350)	(113,568)
Administrative expenses		(34,510,009)	(37,029,883)	(29,905,470)	(24,826,739)
Impairment loss on trade and tax receivables	24.6	(963,714)	(2,965,025)	953,701	(3,136,894)
Operating profit		**12,498,356**	**19,984,853**	**16,342,327**	**17,543,706**
Investment income	9	461,325	677,530	1,004,273	687,932
Other gains and losses	10	(1,167,310)	256,636	(1,334,720)	(924,367)
Finance cost	11	(3,715,933)	(7,000,207)	(3,717,075)	(7,227,547)
Foreign exchange acquisition loss		(4,219,796)	–	(4,219,796)	–
Profit before tax	12	**3,856,642**	**13,918,812**	**8,075,009**	**10,079,724**
Income tax expense	14.1	(2,620,369)	(5,159,277)	(2,429,799)	(3,512,918)
Profit for the year		**1,236,273**	**8,759,535**	**5,645,210**	**6,566,806**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial (Losses)/gains on retirement benefits		(933,841)	(358,174)	(933,841)	(358,174)
Related tax	14.1	298,829	114,616	298,829	114,616
		(635,012)	**(243,558)**	**(635,012)**	**(243,558)**
Items that may be reclassified subsequently to profit or loss					
Differences on translating foreign operations		6,684,427	(957,875)	–	–
Related tax		–	–	–	–
Total comprehensive income		**7,285,688**	**7,558,102**	**5,010,198**	**6,323,248**
Attributable to					
Owners of the Company		7,281,850	7,554,354	5,010,198	6,323,248
Non-controlling interests		3,838	3,748	–	–
Total comprehensive income		**7,285,688**	**7,558,102**	**5,010,198**	**6,323,248**
Earnings per share					
Basic earnings per share	15	**4.60**	**5.72**	**3.16**	**4.79**
Diluted earnings per share	15	**4.55**	**4.72**	**3.13**	**3.95**

Julius Berger Nigeria Plc AR & CFS 2020 | 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, 2019	660,000	425,440	10,260,927	24,009,914	35,356,281	61,609	35,417,890
Profit for the year	–	–	–	8,755,787	8,755,787	3,748	8,759,535
Other comprehensive income (net of tax)	–	–	(957,875)	(243,558)	(1,201,433)	–	(1,201,433)
Dividends to shareholders	–	–	–	(2,640,000)	(2,640,000)	(8,000)	(2,648,000)
Balance at January 1, 2020	660,000	425,440	9,303,052	29,882,143	40,270,635	57,357	40,327,992
Profit for the year	–	–	–	1,232,435	1,232,435	3,838	1,236,273
Other comprehensive income (net of tax)	–	–	6,684,427	(635,012)	6,049,415	–	6,049,415
Total comprehensive income	**–**	**–**	**6,684,427**	**597,423**	**7,281,850**	**3,838**	**7,285,688**
Scrip issue	132,000	–	–	(132,000)	–	–	–
Prior year adjustment	–	–	–	(24,079)	(24,079)	–	(24,079)
Dividends to shareholders	–	–	–	(2,640,000)	(2,640,000)	(2,000)	(2,642,000)
Balance at December 31, 2020	**792,000**	**425,440**	**15,987,480**	**27,683,487**	**44,888,407**	**59,195**	**44,947,602**

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, 2019	660,000	425,440	–	15,625,482	16,710,922	–	16,710,922
Profit for the year	–	–	–	6,566,806	6,566,806	–	6,566,806
Other comprehensive income (net of tax)	–	–	–	(243,558)	(243,558)	–	(243,558)
Dividends to shareholders	–	–	–	(2,640,000)	(2,640,000)	–	(2,640,000)
Balance at January 1, 2020	660,000	425,440	–	19,308,730	20,394,170	–	20,394,170
Profit for the year	–	–	–	5,645,210	5,645,210	–	5,645,210
Other comprehensive income (net of tax)	–	–	–	(635,012)	(635,012)	–	(635,012)
Total comprehensive income	**–**	**–**	**–**	**5,010,198**	**5,010,198**	**–**	**5,010,198**
Scrip issue	132,000	–	–	(132,000)	–	–	–
Dividends to shareholders	–	–	–	(2,640,000)	(2,640,000)	–	(2,640,000)
Balance at December 31, 2020	**792,000**	**425,440**	**–**	**21,546,928**	**22,764,368**	**–**	**22,764,368**

Julius Berger Nigeria Plc AR & CFS 2020 | Statement of Cash Flows

STATEMENT OF CASH FLOWS

	Note	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Cash flows from operating activities					
Cash receipts from customers		256,711,555	295,310,604	233,485,880	271,174,290
Cash paid to suppliers and employees		(246,271,073)	(255,470,913)	(219,206,628)	(241,481,119)
Cash provided by operating activities		**10,440,482**	**39,839,691**	**14,279,252**	**29,693,171**
Cash paid for taxes		(410,944)	(660,604)	(427,435)	(419,945)
Foreign exchange acquisition loss		(4,219,796)	–	(4,219,796)	–
Net cash generated by operating activities	34	**5,809,742**	**39,179,087**	**9,632,021**	**29,273,226**
Cash flows from investing activities					
Purchase of PPE	16	(9,804,187)	(8,004,062)	(9,500,454)	(7,369,391)
Interest received	9	461,325	677,530	461,273	415,932
Dividend received		–	–	543,000	290,000
Proceeds from disposal of PPE		1,485,363	624,309	1,484,163	606,641
Net cash used in investing activities		**(7,857,499)**	**(6,702,223)**	**(7,012,018)**	**(6,056,818)**
Cash flows from financing activities					
Term loan	29	(1,945,189)	9,092,469	(1,945,189)	9,092,469
Payment of lease liabilities	32	(2,598,493)	(3,038,594)	(1,295,705)	(1,671,991)
Interest paid	11	(3,058,679)	(6,494,445)	(3,058,679)	(7,227,546)
Dividends paid		(2,642,000)	(2,648,000)	(2,640,000)	(2,640,000)
Net cash used in financing activities		**(10,244,361)**	**(3,088,570)**	**(8,939,572)**	**(2,447,068)**
Net (decrease)/increase in cash and cash equivalents		**(12,292,118)**	**29,388,294**	**(6,319,569)**	**20,769,340**
Cash and cash equivalents at 1 January		27,922,168	(1,466,126)	7,271,421	(13,497,919)
Cash and cash equivalents at 31 December	34.1	**15,630,050**	**27,922,168**	**951,852**	**7,271,421**
Cash and cash equivalents consist of					
Cash and bank balances		34,931,861	34,133,479	20,253,663	13,482,732
Bank overdraft		(19,301,811)	(6,211,311)	(19,301,811)	(6,211,311)
	34.1	**15,630,050**	**27,922,168**	**951,852**	**7,271,421**

Julius Berger Services Nigeria Ltd. is a multipurpose terminal operator at the Warri Port - Terminal C. The company's comprehensive equipment pool and vast terminal size ensure timely and efficient loading, offloading and storage for various types of cargo. Services include: stevedoring, shipping, warehousing and slipway.

JULIUS BERGER
SERVICES NIGERIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2020

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 liability company in 1979 with its shares quoted on the Nigerian Stock Exchange. It is registered in Nigeria with registration number, RC 6852. The address of its registered office and principal place of business are disclosed on page 3. The principal activities of the Company and its subsidiaries (the Group) are described in notes 21 and 36 to the Consolidated 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, 2020

The following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

Amendments to references to Conceptual Framework in IFRS Standards*

The main changes to the framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the Consolidated Financial Statements.

Under the new framework, a company would book as an asset a right to use the asset, rather than the asset itself. A liability will be recognised if a company has no practical ability to avoid it. This may bring some liabilities on the balance sheet earlier than at present. A company will take an asset off balance sheet when it loses control over all or part of it – i.e. the focus is no longer on the transfer of risks and rewards.

Some of the concepts in the revised framework are entirely new – such as the 'practical ability' approach to liabilities. As they have not been tested as part of any recent standard-setting process, it is unclear what challenges the Board will encounter when using them to develop standards in the future. It is also unclear what challenges preparers of financial statements will face after those future standards become effective.

Definition of a Business (Amendments to IFRS 3)*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

* Required to be implemented for periods beginning on or after January 1, 2020
** Required to be implemented for periods beginning on or after June 1, 2020
*** Required to be implemented for periods beginning on or after January 1, 2022
**** Required to be implemented for periods beginning on or after January 1, 2023

Definition of Material (Amendments to IAS 1 and IAS 8)*

The International Accounting Standards Board (IASB) has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

Revised Conceptual Framework for Financial Reporting*

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity, or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised framework from January 1, 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised framework.

Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)*

The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and measurement provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

COVID-19 related rent concessions (Amendments to IFRS 16)**

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)***

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Annual Improvements to IFRS standards 2018–2020***

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS

This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

Reference to the Conceptual Framework (Ammendments to IFRS 3)***

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)***

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to January 1, 2023.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)N/A

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture. The amendments apply prospectively.

Insurance contracts (IFRS 17)****

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of:

- Discounted probability-weighted cash flows
- An explicit risk adjustment
- A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the Financial Statements and Key Performance Indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. The Directors do not anticipate that the application of the Standard in the future will have an impact on the Consolidated Financial Statements.

N/A: In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. The Directors do not anticipate that the application of the amendments in the future will have an impact on the Consolidated Financial Statements.

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 International Financial Reporting Standards (IFRS).

3.2 Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial instruments, actuarial valuation, inventory which are measured at fair value, amortised cost, projected credit method and net realisable value. The following are the significant accounting policies adopted by the Group in the preparation of these Consolidated 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 International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria (FRCN) and as applicable, the Companies and Allied Matters Act (CAMA), 2020.

The preparation of Consolidated Financial Statements 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 Financial Statements 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 Financial Statements 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;
- 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 Financial 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 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 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 cashflows 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 IFRS 9.

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 acquiree (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.

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 IFRS 9, 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, 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 that it is probable will be recoverable. 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.

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 losses, 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 property, plant and equipment 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	25
Plant & machinery	5	10
Other fixed assets	5	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 the Management and/or threshold reviewed from time to time. The criteria as set in the preparation of these Consolidated Financial Statements 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. The 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 The Group's leasing activities and how these are accounted for

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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. 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 Intangible assets from service concession arrangement

IFRIC 12, Service Concession Arrangements are arrangements whereby a government or other body (the grantor) grants contracts for the supply of public services, such as roads, energy distribution, prisons or hospitals, to a private sector entity (the operator). These are often referred to as 'public-to-private' arrangements. Some common features of service concession arrangements are as follows (IFRIC 12:3):

- The grantor is a public sector entity, including a governmental body, or a private sector entity to which the responsibility for the service has been devolved.
- The operator is responsible for at least some of the management of the infrastructure and related services and does not merely act as an agent on behalf of the grantor.
- The contract sets the initial prices to be levied by the operator and regulates price revisions over the period of the service arrangement.
- The operator is obliged to hand over the infrastructure to the grantor in a specified condition at the end of the period of the arrangement, for little or no incremental consideration irrespective of which party initially financed it.

In accounting for service concession arrangement, IFRIC 12 permits the use of any one of three models which are:

- Financial asset model
- Intangible asset model
- Bifurcated model

Financial Asset Model: The financial asset model applies if the operator has a contractual right to receive cash from or at the direction of the grantor and the grantor has little, if any, discretion to avoid payment.

Intangible Asset Model: The intangible asset model applies if the operator receives the right (license) to charge users, or the grantor, based on the usage of the public service. There is no unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the service. (IFRIC 12:17)

Bifurcated Model: Bifurcated model applies when an operator receives a financial asset and an intangible asset as consideration.

Based on the contract with the Nigerian Ports Authority and Julius Berger Services Nigeria Ltd., the amount to be received by the Company are dependent on the extent that the public uses the Multi-Purpose Terminal. Specifically, the Company has a right to charge users of the terminal over the 25 years agreement term; to this extent, the arrangement will be recognised as an intangible in the books of the Company.

3.14.5 Accounting for contractual payments

Under the intangible asset model, concession payments would be treated in accordance with IAS 38 as part of the consideration for the intangible asset. Concession fees are much more commonly a feature of arrangements which follow the intangible asset model.

Consequently, the operator will recognise revenue for services operations, the intangible asset will be recognised as the present value of periodic payment taking into consideration the effective discount rate on the contract with a corresponding recognition of a financial liability and an unwinding discount on the concession fee. The intangible asset will be amortised in equal annual instalments over the term of the contract.

3.14.6 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).

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 Annual General Meeting.

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.

3.19.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.19.4 Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

3.19.5 Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

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

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. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at Fair Value Through Other Comprehensive Income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.20.1.2.1 Trade and other receivables

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.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met, and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3.20.1.2.2 Cash and cash equivalents

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.

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI, and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Measurement of ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- or breach of contract, such as a default or delinquency in interest or principal payments;
- or it becoming probable that the borrower will enter bankruptcy or financial reorganisation,
- or 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 or 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 10) 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 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 when a reliable estimate can be made on 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.

3.21.1 Contingent liabilities

During the evaluation of whether certain liabilities represent contingent liabilities or provisons, Management is required to exercise significant judgment. Based on the current status, facts and circumstances, Management concluded that the dispute with a claimant (as disclosed in Note 37) should be classified as a contingent liability rather than a provision.

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 (EPS) for its ordinary shares. Basic EPS is 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 (DPS) 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.

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 at 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 the Consolidated 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 Judgements in determining the timing of satisfaction of performance obligations

In making their judgement, the Directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the Directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

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. The 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

Inventories are measured at the lower of cost and net realisable. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale. The 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, the 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. Changes in accounting policies

Except for the change below, the Group has consistently applied the accounting policies to all periods presented in these Consolidated Financial Statements.

5.1 IFRS 16: Leases

This note explains the impact of the adoption of IFRS 16 Leases on the Group's Consolidated Financial Statements.

As indicated in note 3.2 on page 69, the Group has adopted IFRS 16 Leases retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in note 3.13.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019, was 14%.

Practical expedients applied

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at January 1, 2019;
- Accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019, as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made by applying IAS 17 and Interpretation 4 (Determining whether an Arrangement contains a Lease).

Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2020.

6. Revenue

6.1 Disaggregated revenue information

Group	Government 31/12/2020 ₦000	Government 31/12/2019 ₦000	Private 31/12/2020 ₦000	Private 31/12/2019 ₦000	Total reportable segments 31/12/2020 ₦000	Total reportable segments 31/12/2019 ₦000
Primary geographical markets						
Nigeria	198,139,943	222,889,014	38,296,336	34,606,644	236,436,279	257,495,658
Europe & Asia	–	–	5,343,176	8,934,569	5,343,176	8,934,569
	198,139,943	**222,889,014**	**43,639,512**	**43,541,213**	**241,779,455**	**266,430,227**
Major product/services lines						
Civil works	149,273,804	127,046,738	32,876,945	24,818,491	182,150,749	151,865,229
Building works	30,952,297	75,782,265	6,817,117	14,804,013	37,769,414	90,586,278
Services	17,913,842	20,060,011	3,945,450	3,918,709	21,859,292	23,978,720
	198,139,943	**222,889,014**	**43,639,512**	**43,541,213**	**241,779,455**	**266,430,227**
Timing of revenue recognition						
At a point in time	17,820,680	1,557,632	8,787,543	12,285,185	26,608,222	13,842,817
Overtime	180,319,263	221,331,382	34,851,969	31,256,028	215,171,232	252,587,410
	198,139,943	**222,889,014**	**43,639,512**	**43,541,213**	**241,779,455**	**266,430,227**

Company	Government 31/12/2020 ₦000	Government 31/12/2019 ₦000	Private 31/12/2020 ₦000	Private 31/12/2019 ₦000	Total reportable segments 31/12/2020 ₦000	Total reportable segments 31/12/2019 ₦000
Primary geographical markets						
Nigeria	197,109,502	210,764,790	38,097,173	32,724,188	235,206,675	243,488,978
Europe & Asia	–	–	–	–	–	–
	197,109,502	**210,764,790**	**38,097,173**	**32,724,188**	**235,206,675**	**243,488,978**
Major product/services lines						
Civil works	148,497,495	120,135,930	28,701,482	18,652,787	177,198,977	138,788,717
Building works	30,791,327	71,660,029	5,951,324	11,126,224	36,742,651	82,786,253
Services	17,820,680	18,968,831	3,444,367	2,945,177	21,265,047	21,914,008
	197,109,502	**210,764,790**	**38,097,173**	**32,724,188**	**235,206,675**	**243,488,978**
Timing of revenue recognition						
At a point in time	17,820,680	1,557,632	3,444,367	3,350,616	21,265,047	4,908,248
Overtime	179,288,822	209,207,158	34,652,806	29,373,572	213,941,628	238,580,730
	197,109,502	**210,764,790**	**38,097,173**	**32,724,188**	**235,206,675**	**243,488,978**

6.2 Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group 2021 ₦000	Group 2022 ₦000	Group Total ₦000	Company 2021 ₦000	Company 2022 ₦000	Company Total ₦000
Civil works	158,200,000	160,400,000	318,600,000	155,000,000	150,000,000	305,000,000
Building works	79,200,000	89,000,000	168,200,000	70,000,000	80,000,000	150,000,000
Services	31,900,000	22,000,000	53,900,000	20,000,000	22,000,000	42,000,000
Diversification	2,000,000	7,600,000	9,600,000	2,000,000	7,000,000	9,000,000
Total	**271,300,000**	**279,000,000**	**550,300,000**	**247,000,000**	**259,000,000**	**506,000,000**

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

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

The Management expect that incremental fees to intermediaries, as a result of obtaining contracts with customers, are receivables. There were no incremental fees recognised in the period to December 31, 2020.

6.3 Performance obligations

Information about the Group's performance obligations are summarised below:

Civil works

The performance obligation here is satisfied over time and payment is generally due upon progress report and acceptance of the customer. In some contracts, short-term advances are required before this service is provided.

Building works

The performance obligation here is satisfied over time and payment is generally due upon progress report and acceptance of the customer. In some contracts, short-term advances are required before this service is provided.

Services

The performance obligation here is satisfied over time and payment is generally due upon progress report and acceptance of the customer. In some contracts, short-term advances are required before this service is provided.

7. Segmental analysis

The Company has determined its business segments based on the information reviewed for the purpose of efficiently allocating resources for the execution of its operations. The Company assesses the performance of business segments based on a measure of adjusted Earning Before Interest, Tax, Depreciation and Amortization (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 business segments that offer civil works, building works and services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by operational regions, which manage and report progress for all business segments within their respective region. The Company has an institutionalised framework (under the leadership of the Managing Director) which regularly reviews the performance of the operational regions.

7.1 Principal segment activities

Civil works

The segment provides professional services in the areas of engineering, construction and maintenance for a wide range of infrastrutures. This include:

- Essential traffic networks in, around and between the major cities of the country
- Turnkey harbours, wharfs, jetties, loading installations and warehouses
- Refurbishment and construction of airports in conformity with global aviation regulations
- Design and construction of auxiliary buildings for factories, oil and gas installations and power plants for the oil, gas and energy sector

The civil works of the subsidiary, Julius Berger Free Zone Enterprise are captured here as well.

Building works

The segment provides professional services in a wide range of building areas. They include:

- Design and construction of buildings that meet the Leadership in Energy and Environmental Design (LEED) standards for certification.
- Design and construction of administration, commercial and industrial buildings, hotels, hospitals, airport terminals, sports facilities and residential districts

Building works executed by the subsidiaries, Julius Berger Free Zone Enterprise as well as Abumet Nigeria Ltd. are captured here.

Services

The segment includes all other services of the Company which are indirectly linked to the core business:

- The business unit, Furniture Production which supplies high quality furniture and interior fittings

- Facility management solutions, which ensure that the useful life of a building is extended, and repair or renovation costs are significantly reduced. With the use of computer assisted facility and resource management, workflows and process controlling can be optimised and operating costs can be reduced
- Services by Subsidiaries which are offered to the Company and its external clients:
  - Stevedoring and port operation services of Julius Berger Services Nigeria Ltd.
  - Design and engineering services of Primetech Design and Engineering Nigeria Ltd.
  - Design, engineering and procurement services by Julius Berger International GmbH
  - Activities of Julius Berger Investment Ltd. to ensure further diversification of the Group

7.2 Segment revenue

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Class of business				
Civil works	182,150,749	151,865,229	177,198,977	138,788,717
Building works	37,769,414	90,586,278	36,742,651	82,786,253
Services	21,859,292	23,978,720	21,265,047	21,914,008
Total revenue	**241,779,455**	**266,430,227**	**235,206,675**	**243,488,978**

7.3 Segment profit and results

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Class of business				
Civil works	7,984,725	11,391,366	10,440,492	9,999,913
Building works	3,456,330	6,794,851	4,519,352	5,964,860
Services	1,057,300	1,798,635	1,382,482	1,578,932
Total profit of segments	**12,498,355**	**19,984,852**	**16,342,326**	**17,543,705**
Corporate income/(costs)	(5,387,106)	256,636	(5,554,516)	(924,367)
EBIDTA	**7,111,250**	**20,241,488**	**10,787,810**	**16,619,338**
Finance costs	(3,715,933)	(7,000,207)	(3,717,075)	(7,227,547)
Adjusted profit before tax	**3,395,317**	**13,241,281**	**7,070,736**	**9,391,791**
Other items	461,325	677,530	1,004,273	687,932
Profit before income tax	**3,856,642**	**13,918,811**	**8,075,009**	**10,079,723**

Notes:
7.3.1 Corporate costs comprise the costs of operating head office functions and certain overheads.
7.3.2 EBITDA is earnings before investment income, finance costs and taxes.
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.

7.4 Information about major customers

Included in the revenue reported by Group are three clients whose individual balances of ₦28.9 billion, ₦53.2 billion and ₦94.0 billion (2019: ₦111.6 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 2020.

7.5 Segment assets and liabilities

Group	Segment assets 31/12/2020 ₦000	Segment liabilities 31/12/2020 ₦000	Segment net assets/liabilities 31/12/2020 ₦000	Segment assets 31/12/2019 ₦000	Segment liabilities 31/12/2019 ₦000	Segment net assets/liabilities 31/12/2019 ₦000
Class of business						
Civil works	87,621,661	(100,161,102)	(12,539,441)	83,947,685	(101,258,251)	(17,310,566)
Building works	52,837,075	(61,881,913)	(9,044,838)	50,621,617	(62,559,758)	(11,938,141)
Services	137,638,263	(85,353,341)	52,284,922	131,867,091	(86,288,288)	45,578,803
	278,096,999	**(247,396,356)**	**30,700,643**	**266,436,393**	**(250,106,297)**	**16,330,096**
Net cash	34,931,861	(19,301,811)	15,630,050	34,133,479	(6,211,311)	27,922,168
Unallocated assets/ (liabilities)	15,913,375	(17,296,466)	(1,383,091)	13,090,796	(17,015,068)	(3,924,272)
	328,942,235	**(283,994,633)**	**44,947,602**	**313,660,668**	**(273,332,676)**	**40,327,992**

Company	Segment assets 31/12/2020 ₦000	Segment liabilities 31/12/2020 ₦000	Segment net assets/liabilities 31/12/2020 ₦000	Segment assets 31/12/2019 ₦000	Segment liabilities 31/12/2019 ₦000	Segment net assets/liabilities 31/12/2019 ₦000
Class of business						
Civil works	78,850,926	(93,276,518)	(14,425,592)	75,311,727	(92,142,319)	(16,830,592)
Building works	44,559,565	(54,322,595)	(9,763,030)	42,559,523	(53,662,058)	(11,102,535)
Services	126,651,695	(87,797,833)	38,853,862	120,966,973	(86,730,252)	34,236,721
	250,062,186	**(235,396,946)**	**14,665,240**	**238,838,223**	**(232,534,629)**	**6,303,594**
Net cash	20,253,663	(19,301,811)	951,852	13,482,732	(6,211,311)	7,271,421
Unallocated assets/ (liabilities)	21,030,915	(13,883,639)	7,147,276	20,556,052	(13,736,897)	6,819,155
	291,346,764	**(268,582,396)**	**22,764,368**	**272,877,007**	**(252,482,837)**	**20,394,170**

The amounts provided to the Management with respect to total assets are measured in a manner consistent with that of the Consolidated 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.

8. Revenue

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Construction contracts	219,920,163	249,288,831	213,941,628	238,580,730
Rendering of services	21,859,292	17,141,396	21,265,047	4,908,249
	241,779,455	**266,430,227**	**235,206,675**	**243,488,979**

9. Investment income

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Investment income consists of interest income from				
Interest income	461,325	677,530	461,273	415,932
Dividend received	–	–	543,000	272,000
	461,325	**677,530**	**1,004,273**	**687,932**

10. Other gains and losses

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Profit from sale of PPE	1,271,270	510,952	1,272,190	510,952
Net foreign exchange gains/(losses)	(3,786,034)	(2,160,118)	(4,391,995)	(2,766,063)
Sundry income	1,347,454	1,905,802	1,785,085	1,330,744
	(1,167,310)	**256,636**	**(1,334,720)**	**(924,367)**

11. Finance costs

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Interest on overdraft	2,191,798	4,639,499	2,191,798	4,639,499
Interest on loan	319,156	1,045,993	762,087	1,779,096
Other finance charges	1,204,979	1,314,715	763,190	808,952
	3,715,933	**7,000,207**	**3,717,075**	**7,227,547**

12. Profit for the year

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Profit for the year has been arrived at after charging/(crediting)				
Net foreign exchange losses/(gains)	3,786,034	2,160,118	4,391,995	2,766,063
Depreciation of PPE	6,571,548	7,182,166	6,265,650	6,918,696
Net impairment of financial assets	(1,122,986)	1,860,878	(953,699)	2,166,098
Net armotisation of right-of-use assets	1,947,855	1,303,001	1,112,797	585,358
Depreciation of investment property	98,725	98,725	98,725	98,725
Net impairment	220,169	(714,952)	319,792	(714,952)
Audit remuneration (see Note 12.1)	103,055	95,925	55,920	55,920
Staff costs (see Note 13)	64,833,242	72,372,375	50,351,796	46,278,411
Gain on disposal of PPE	(1,271,270)	(510,952)	(1,272,190)	(510,952)

12.1 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 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Audit fees				
Parent group	52,920	52,920	52,920	52,920
Subsidiaries auditors (Ernst & Young and Deloitte & Touche and G.E Osagie)	47,135	40,005	–	–
Other audit related fees	3,000	3,000	3,000	3,000
Audit and audit-related fees	**103,055**	**95,925**	**55,920**	**55,920**
Other fees				
Taxation	13,770	13,770	4,500	4,500
Others	1,350	1,350	250	250
Total fees	**118,175**	**111,045**	**60,670**	**60,670**

13. Staff costs and employee numbers

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Wages and salaries	61,585,046	57,383,750	47,848,383	44,272,079
Social security costs	4,865	2,883	–	–
Defined benefit plans	1,002,013	1,026,613	411,402	320,653
Defined contribution (pension schemes)	2,241,318	1,856,960	2,092,011	1,685,679
	64,833,242	**60,270,206**	**50,351,796**	**46,278,411**

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Average number of employees excluding Key Management Personnel are:				
Senior management	35	35	28	28
Senior staff	711	720	508	519
Junior staff	11,471	10,690	10,814	9,698
	12,217	**11,445**	**11,350**	**10,245**
Staff costs excluding Key Management Personnel analysed as follows:				
Senior management	2,600,910	2,289,313	2,039,909	1,648,502
Senior staff	19,517,349	18,730,845	11,154,608	11,003,830
Junior staff	41,771,382	38,618,430	36,213,678	32,994,461
	63,889,641	**59,638,588**	**49,408,195**	**45,646,793**

	Group 31/12/2020 Number	Group 31/12/2019 Number	Company 31/12/2020 Number	Company 31/12/2019 Number
The average number of people employed was as follows:				
Civil works	3,055	2,790	2,757	2,488
Building works	5,969	5,710	5,665	5,114
Services	3,193	2,945	2,928	2,643
	12,217	**11,445**	**11,350**	**10,245**

Number of employees of the Company in receipt of emoluments within the bands listed below are:

	Group 31/12/2020 Number	Group 31/12/2019 Number	Company 31/12/2020 Number	Company 31/12/2019 Number
Up to - ₦500,000.00	1,079	1,848	1,079	1,848
₦500,001.00 - ₦1,000,000.00	2,768	2,648	2,714	2,599
₦1,000,001.00 - ₦2,000,000.00	3,963	3,945	3,692	3,165
₦2,001,001.00 - ₦3,000,000.00	1,794	1,624	1,624	1,572
Above ₦3,000,000.00	2,613	1,380	2,241	1,061
	12,217	**11,445**	**11,350**	**10,245**

14. Taxation

14.1 Income tax recognised in profit or loss

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Current tax				
Current tax expense in respect of the current year	2,908,848	4,626,076	2,063,572	3,302,643
Education tax (2 % of assessable profit)	281,734	455,583	274,562	427,435
Police trust fund levy in the current year	416	–	404	–
Adjustments in relation to the current tax of prior years	(23,000)	–	–	–
Deferred tax				
Deferred tax charged in the current year	(846,458)	(36,998)	(207,568)	(331,776)
Total income tax expense recognised in the current year	**2,321,540**	**5,044,661**	**2,130,970**	**3,398,302**
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax from operations	**3,856,642**	**13,918,812**	**8,075,009**	**10,079,724**
Expected income tax expense calculated at 30 % (2019: 30 %)	1,156,993	4,175,644	2,422,503	3,023,917
Education tax expense calculated at 2 % (2019: 2 %) of assessable profit	281,734	455,583	274,562	427,435
Police trust fund levy in the current year	416	–	404	–
Effect of expenses that are not deductible in determining taxable profit	1,728,855	450,432	(358,931)	278,726
Deferred tax expense recognised in the current year	(846,458)	(36,998)	(207,568)	(331,776)
Income tax expense recognised in profit or loss	**2,321,540**	**5,044,661**	**2,130,970**	**3,398,302**
Relating to the component of profit or loss	2,620,369	5,159,277	2,429,799	3,512,918
Relating to the component of other comprehensive income	(298,829)	(114,616)	(298,829)	(114,616)
	2,321,540	**5,044,661**	**2,130,970**	**3,398,302**

The tax rate used for the 2020 and 2019 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act.

14.2 Current tax liabilities

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Income tax payable				
Expense	2,908,848	4,626,076	2,063,572	3,302,643
Provisional payment	(565,662)	(1,154,205)	–	–
	2,343,186	**3,471,871**	**2,063,572**	**3,302,643**
Education tax payable	281,734	455,583	274,562	427,435
Police trust fund levy in the current year	416	–	404	–
	2,625,336	**3,927,454**	**2,338,538**	**3,730,078**

14.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Deferred tax assets	4,413,990	3,798,902	4,011,003	3,617,728
Deferred tax liabilities	(8,498,928)	(8,730,298)	(7,694,250)	(7,508,543)
Deferred tax liabilities (net)	**(4,084,938)**	**(4,931,396)**	**(3,683,247)**	**(3,890,815)**
The gross movement in deferred taxation during the year				
Balance at beginning of year	4,931,396	4,968,395	3,890,815	4,222,591
Profit or loss charge	(547,629)	77,617	91,261	(217,160)
Tax charge relating to components of other comprehensive income	(298,829)	(114,616)	(298,829)	(114,616)
Balance at end of year	**4,084,938**	**4,931,396**	**3,683,247**	**3,890,815**

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 below:

14.3.1 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, 2020	8,409,392	(665,304)	986,210	8,730,298
Charged to profit or loss	156,523	247,818	(635,711)	(231,370)
Balance at December 31, 2020	**8,565,915**	**(417,486)**	**350,499**	**8,498,928**

Group	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2020	39,037	(3,715,797)	(122,142)	(3,798,902)
Charged to profit or loss	(44,572)	(928)	(270,759)	(316,259)
Charged to other comprehensive income	(298,829)	–	–	(298,829)
Balance at December 31, 2020	**(304,364)**	**(3,716,725)**	**(392,901)**	**(4,413,990)**

14.3.2 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, 2020	8,180,429	(755,351)	83,465	7,508,543
Charged to profit or loss	147,624	121,548	(83,465)	185,707
Balance at December 31, 2020	**8,328,053**	**(633,803)**	**–**	**7,694,250**

Company	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2020	40,335	(3,715,797)	57,734	(3,617,728)
Charged to profit or loss	–	–	(94,446)	(94,446)
Charged to other comprehensive income	(298,829)	–	–	(298,829)
Balance at December 31, 2020	**(258,494)**	**(3,715,797)**	**(36,712)**	**(4,011,003)**

15. 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 shown below.

Earnings per share	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Earnings				
Earnings for the purpose of basic earnings and diluted earnings per share being net profit attributable to equity holders of the Company	7,281,850	7,554,354	5,010,198	6,323,248
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,584,000	1,320,000	1,584,000	1,320,000
Effect of dilutive potential ordinary shares				
Bonus share	16,000	280,000	16,000	280,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,600,000	1,600,000	1,600,000	1,600,000
Earnings per 50 K share (₦) – basic	**4.60**	**5.72**	**3.16**	**4.79**
Earnings per 50 K share (₦) – diluted	**4.55**	**4.72**	**3.13**	**3.95**

16. Property, Plant and Equipment

Group	Land ₦000	Buildings ₦000	Plant and machinery ₦000	Office equipment ₦000	Total ₦000
Cost					
As at January 1, 2019	6,361,864	10,746,891	110,977,337	2,258,507	130,344,599
Additions	–	–	7,888,787	115,275	8,004,062
Disposal	–	–	(16,358)	(200,445)	(216,803)
Reclassifications as held for sale	–	–	(1,488,787)	(5,803)	(1,494,590)
Adjustment and exchange difference	–	–	(16,741)	(747)	(17,488)
As at January 1, 2020	**6,361,864**	**10,746,891**	**117,344,238**	**2,166,787**	**136,619,780**
Additions	424,917	1,101,733	8,197,968	79,569	9,804,187
Disposal	–	–	(14,780)	(59,664)	(74,444)
Reclassifications as held for sale	–	–	(4,433,542)	–	(4,433,542)
Adjustment and exchange difference	(116,835)	116,835	149,587	9,116	158,703
At December 31, 2020	**6,669,946**	**11,965,459**	**121,243,471**	**2,195,808**	**142,074,684**
Accumulated depreciation					
As at January 1, 2019	–	4,783,699	81,321,004	1,113,887	87,218,590
Charge for the year	–	306,724	6,798,544	76,898	7,182,166
Disposal	–	–	(16,134)	(200,428)	(216,562)
Adjustment and exchange difference	–	(386)	(34,558)	24,987	(9,957)
Reclassifications from held for sale	–	–	–	–	–
Reclassifications as held for sale	–	–	(1,387,210)	(5,513)	(1,392,723)
As at January 1, 2020	**–**	**5,090,037**	**86,681,646**	**1,009,831**	**92,781,514**
Charge for the year	–	321,386	6,182,141	68,021	6,571,548
Disposal	–	–	(11,863)	(59,664)	(71,527)
Adjustment and exchange difference	–	–	70,283	–	70,283
Reclassifications as held for sale	–	–	(4,133,072)	–	(4,133,072)
At December 31, 2020	**–**	**5,411,423**	**88,789,135**	**1,018,188**	**95,218,746**
Impairment					
Balance at January 1, 2019	–	–	1,683,937	99,621	1,783,558
Charges for the year	–	–	–	–	–
Reversal in the year	–	–	(714,952)	–	(714,952)
Balance at January 1, 2020	**–**	**–**	**968,985**	**99,621**	**1,068,606**
Charges for the year	–	–	319,790	–	319,790
Reversal in the year	–	–	–	(99,621)	(99,621)
Balance at December 31, 2020	**–**	**–**	**1,288,775**	**–**	**1,288,775**
Carrying amount					
At December 31, 2020	**6,669,946**	**6,554,036**	**31,165,561**	**1,177,620**	**45,567,163**
At December 31, 2019	**6,361,864**	**5,656,854**	**29,693,607**	**1,057,335**	**42,769,660**

Company	Land ₦000	Buildings ₦000	Plant and machinery ₦000	Office equipment ₦000	Total ₦000
Cost					
As at January 1, 2019	6,069,940	9,141,074	110,308,213	27,719	125,546,946
Additions	–	–	7,369,391	–	7,369,391
Reclassifications from held for sale	–	–	–	–	–
Reclassifications as held for sale	–	–	(1,486,775)	(5,803)	(1,492,578)
As at January 1, 2020	**6,069,940**	**9,141,074**	**116,190,830**	**21,916**	**131,423,760**
Additions	424,917	1,015,632	8,059,904	–	9,500,453
Reclassifications as held for sale	(116,835)	116,835	(4,414,805)	–	(4,414,805)
At December 31, 2020	**6,378,022**	**10,273,541**	**119,835,929**	**21,916**	**136,509,408**
Accumulated depreciation and impairment loss					
As at January 1, 2019	–	4,455,627	80,769,574	1,374	85,226,575
Charge for the year	–	251,536	6,667,161	–	6,918,697
Reclassifications from held for sale	–	(386)	(24,601)	24,987	–
Reclassifications as held for sale	–	–	(1,385,213)	(5,513)	(1,390,726)
As at January 1, 2020	**–**	**4,706,777**	**86,026,921**	**20,848**	**90,754,546**
Charge for the year	–	254,363	6,011,287	–	6,265,650
Reclassifications	–	–	–	–	–
Reclassifications as held for sale	–	–	(4,115,368)	–	(4,115,368)
At December 31, 2020	**–**	**4,961,140**	**87,922,840**	**20,848**	**92,904,828**
Impairment					
Balance at January 1, 2019	–	–	1,683,936	–	1,683,936
Charge for the year	–	–	(714,952)	–	(714,952)
Balance at January 1, 2020	**–**	**–**	**968,984**	**–**	**968,984**
Reversal in the year	–	–	319,792	–	319,792
Balance at December 31, 2020	**–**	**–**	**1,288,776**	**–**	**1,288,776**
Carrying amount					
At December 31, 2020	**6,378,022**	**5,312,401**	**30,624,313**	**1,068**	**42,315,804**
At December 31, 2019	**6,069,940**	**4,434,297**	**29,194,925**	**1,068**	**39,700,230**

16.1 Contractual commitment for capital expenditure

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

17. Non-current assets held for sale

Group	Plant and machinery ₦000	Office Equipment ₦000	Total ₦000
As at January 1, 2019	210,227	–	210,227
Additions	101,667	290	101,957
Reclassifications to PPE	(193,242)	–	(193,242)
Disposal	(95,690)	–	(95,690)
Balance at January 1, 2020	**22,962**	**–**	**23,252**
Additions	300,470	290	300,470
Impairment	(5,876)	–	(5,876)
Disposal	(211,683)	(290)	(211,973)
Balance at December 31, 2020	**105,873**	**–**	**105,873**

Company	Plant and machinery ₦000	Office equipment ₦000	Total ₦000
As at January 1, 2019	208,633	–	208,633
Additions	101,562	290	101,852
Reclassifications to PPE	(193,242)	–	(193,242)
Disposal	(95,690)	–	(95,690)
Balance at January 1, 2020	**21,263**	**–**	**21,553**
Additions	299,437	290	299,437
Impairment	(5,876)	–	(5,876)
Disposal	(211,683)	(290)	(211,973)
Balance at December 31, 2020	**103,141**	**–**	**103,141**

At the reporting date, PPE of ₦300.5 million (2019: ₦101.7 million) were reclassified as non-current assets held for sale. Assets are transfered to the sales yard when the Company's equipment repair centre determines that the equipment's value will be realised from sale, rather than from continuous use for business operations, and when sale is expected to be completed within one year.

18. Right-of-use assets

18.1 Buildings

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Cost				
Balance at January 1, 2020	14,760,536	14,760,536	2,503,712	2,503,712
Additions	2,758,197	–	1,152,418	–
Balance at December 31, 2020	**17,518,733**	**14,760,536**	**3,656,130**	**2,503,712**
Accumulated amortisation				
Balance at January 1, 2020	1,303,001	–	585,358	–
Charge for the year	1,947,855	1,303,001	1,112,797	585,358
Balance at December 31, 2020	**3,250,856**	**1,303,001**	**1,698,155**	**585,358**
Carrying amount at December 31, 2020	**14,267,877**	**13,457,535**	**1,957,975**	**1,918,354**

The Group leases a number of assets in the form of buildings. Information about leases that do not meet the definition of investment property for which the Group is a lessee is presented above.

19. Intangible assets

19.1 Goodwill

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Cost	4,606,412	4,606,412	–	–
Impairment	–	–	–	–
Exchange difference	6,787,100	4,662,230	–	–
	11,393,512	**9,268,642**	**–**	**–**

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.

19.2 Other intangible assets

	Group Concession asset (note 19.2.1) ₦ 000	Group Total ₦ 000	Company Licenses ₦ 000	Company Total ₦ 000
Cost				
Balance at January 1, 2020	2,451,389	2,455,539	–	–
Additions during the year	–	–	–	–
Balance at December 31, 2020	**2,451,389**	**2,455,539**	**–**	**–**
Accumulated amortisation				
Balance at January 1, 2020	188,568	188,568	–	–
Charge for the year	188,568	188,568	–	–
Balance at December 31, 2020	**377,136**	**377,136**	**–**	**–**
Carrying amount				
Balance at December 31, 2020	**2,074,253**	**2,074,253**	**–**	**–**
Balance at December 31, 2019	**2,262,821**	**2,262,821**	**–**	**–**

Notes:
19.2.1: This represents the present value of future concession payments to Nigeria Port Authority by Julius Berger Services Nigeria Limited relating to the service concession arrangement for Multi-Purpose Terminal C (Canal Berth) at Warri Old Port. The related liability is disclosed in Note 32. The outstanding lease term is 11 years up to 2031.

20. Investment property

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Cost				
As at January 1	2,742,372	2,742,372	2,742,372	2,742,372
Additions during the year	–	–	–	–
At December 31	**2,742,372**	**2,742,372**	**2,742,372**	**2,742,372**
Accumulated amortisation				
At January 1	949,941	482,360	949,941	482,360
Adjustment	(279,201)	368,855	(279,201)	368,855
Charge for the year	98,725	98,725	98,725	98,725
At December 31	**769,465**	**949,941**	**769,465**	**949,941**
Carrying amount				
At December 31	**1,972,907**	**1,792,431**	**1,972,907**	**1,792,431**

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 fair value of the Group's investment property at December 31, 2020, has been arrived at on the basis of a valuation carried out by Kezito Kevin & Partners, an independent estate surveyors and valuers, and certified by the firm's partner, Mr Alex O. James, FRC/2012/ NIESV/00000000117, at that date to be ₦2 billion. The Group believes that the valuation conforms to the requirement of IFRS 13. The fair value was determined based on the income based approach and the discounted cash flow technique.

In estimating the fair value of the properties, the highest and best use of the properties is their current use, the discounted cash flow technique is used to estimate the income to be generated by the properties in consecutive years of the projection in line with the requirement of IFRS 13.

21. Investments

21.1 Investments in subsidiaries

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
As at January 1	–	–	16,916,771	16,916,771
Additions during the year	–	–	–	–
Disposals	–	–	–	–
At December 31	**–**	**–**	**16,916,771**	**16,916,771**

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:

Name of subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent 2020	2019
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 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 %
Julius Berger International GmbH	Providers of logistical and technical support on an international level	Wiesbaden, Germany	100.0 %	100.0 %
Julius Berger Investments Ltd.	Investment company and managers	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 %
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 %
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 %

21.2 Other financial assets

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
As at January 1	2,048,547	2,045,681	–	–
Additions during the year	–	–	–	–
Disposals	257,059	2,866	–	–
At December 31	**2,305,606**	**2,048,547**	**–**	**–**

This represent the Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that the carrying amount are denominated in a foreign currency and translated at the spot rate at the end of each reporting period. Specifically, the exchange differences arising on translation are recognised in profit or loss in the 'other gains and losses' line item (note 10); The Group has designated all investments in equity instruments that are not held for trading at FVTOCI on initial application of IFRS 9.

22. Inventories

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Construction materials	4,763,710	5,081,692	3,956,220	4,408,319
Consumables	4,588,638	4,140,851	4,375,922	3,746,377
Spares	6,807,709	9,538,945	6,762,005	9,460,425
Others	663,557	1,091,927	404,152	454,646
	16,823,614	**19,853,415**	**15,498,299**	**18,069,767**
Allowances (Note 22.1)	(285,852)	(332,656)	(157,738)	(211,763)
	16,537,762	**19,520,759**	**15,340,561**	**17,858,004**

22.1 Obsolete inventory

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

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Balance at beginning of year	332,656	206,025	211,763	65,689
Amount (written back)/ charged to profit or loss	(46,804)	126,631	(54,025)	146,074
Balance at end of year	**285,852**	**332,656**	**157,738**	**211,763**

22.2 Inventory recognised as expense

The cost of inventories recognised as an expense during the year in respect of operations was ₦105.4 billion (December 31, 2019: ₦102.0 billion).

22.3 Inventory pledged as securities

Inventories have not been pledged as security for liabilities.

23. Contract liabilities

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Construction costs incurred plus recognised profits less recognised losses to date	–	–	–	–
Less progress billings	(167,878,168)	(170,121,364)	(167,360,747)	(169,930,198)
	(167,878,168)	**(170,121,364)**	**(167,360,747)**	**(169,930,198)**
Recognised and included in the Consolidated and Separate Financial Statements as amounts				
Due from customers under construction contracts	–	–	–	–
Due to customers under construction contracts	(167,878,168)	170,121,364	(167,360,747)	(169,930,198)
	(167,878,168)	**170,121,364**	**(167,360,747)**	**(169,930,198)**

Contract liabilities analysed as follows:	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Current portion	517,421	191,166	–	–
Non-current portion	167,360,747	169,930,198	167,360,747	169,930,198
	167,878,168	**170,121,364**	**167,360,747**	**169,930,198**

24. Trade and other receivables

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Trade receivables				
Contract and retention receivables (Note 24.5)	144,043,228	132,713,438	129,095,873	121,868,170
Receivables from rendering of services	4,240,428	6,036,700	8,934,649	9,561,665
Less allowance for doubtful debt (Note 24.3)	(9,438,759)	(8,919,787)	(7,163,100)	(8,540,686)
	138,844,897	**129,830,351**	**130,867,422**	**122,889,149**
Other receivables				
Supplier advances	9,809,426	13,855,268	9,351,402	13,196,826
Amount owed by related entities (Note 36.2)	–	–	4,694,221	3,524,965
Amount owed by staff debtors	259,947	152,967	251,372	144,563
Prepayments and accrued income	2,649,243	1,153,327	2,713,092	1,104,473
Other receivables	11,629,010	10,174,224	11,215,421	2,623,437
	163,192,523	**155,166,137**	**159,003,275**	**150,699,856**
Analysed as follows:				
Current Portion	98,344,953	102,257,374	94,155,705	97,791,093
Non-current Portion	64,847,570	52,908,763	64,847,570	52,908,763
	163,192,523	**155,166,137**	**159,003,275**	**150,699,856**

Trade receivables expected to be recovered within one year include retentions of Nil (2019: Nil) 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 24.3) against all receivables over six years, in consideration that the Management's continuous efforts to recover these debts is gradually becoming uncertain. Allowances for doubtful debts are recognised against trade receivables based on the 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 table on page 113 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.

24.1 Age of receivables that are past due but not impaired

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
0 – 3 years	163,192,523	155,166,137	159,003,275	150,699,856
Above 3 years	–	–	–	–
	163,192,523	**155,166,137**	**159,003,275**	**150,699,856**

24.2 Age of receivables that are past due but impaired

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
0 – 3 years	2,275,659	379,103	–	–
Above 3 years	7,163,100	8,540,686	7,163,100	8,540,686
	9,438,759	**8,919,789**	**7,163,100**	**8,540,686**

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

24.3 Allowances for credit losses

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at January 1	8,919,789	8,423,300	8,540,686	7,735,762
Impairment losses recognised on receivables	2,086,700	979,155	–	970,796
Amounts written off during the year as uncollectible	–	–	–	–
Amounts recovered during the year	(1,567,730)	(482,666)	(1,377,586)	(165,872)
Balance at December 31	**9,438,759**	**8,919,789**	**7,163,100**	**8,540,686**

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.

24.4 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.

24.5 Contract and retention receivables

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at January 1	132,713,438	140,586,464	121,868,170	122,553,016
Movements in the year	11,329,790	(7,873,026)	7,227,703	(684,846)
Balance at December 31	**144,043,228**	**132,713,438**	**129,095,873**	**121,868,170**

24.6 Impairment of financial assets

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Recognized on trade receivables	2,086,700	1,104,147	–	970,796
Recognized on Withholding tax receivables	444,744	2,343,544	423,887	2,331,970
Impairment losses reversed	(1,567,730)	(482,666)	(1,377,586)	(165,872)
	963,714	**2,965,025**	**(953,699)**	**3,136,894**

25. Tax receivables

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at January 1	27,878,593	19,783,282	26,869,348	19,154,995
Movements in the year	13,203,327	15,950,072	12,735,711	15,194,733
Utilised as tax offset	(5,997,644)	(3,747,680)	(5,824,801)	(3,595,673)
	35,084,276	**31,985,674**	**33,780,258**	**30,754,055**
Allowances	(4,551,825)	(4,107,081)	(4,308,594)	(3,884,707)
Balance at December 31	**30,532,451**	**27,878,593**	**29,471,664**	**26,869,348**
Made up as follows:				
Current portion	2,349,524	3,478,209	2,063,572	3,302,643
Non-current portion	28,182,927	24,400,384	27,408,093	23,566,705
	30,532,451	**27,878,593**	**29,471,664**	**26,869,348**

Tax receivable include credit notes deducted at source and remitted to Federal Inland Revenue Services (FIRS).

26. Contract assets

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at January 1	1,539,910	10,483,108	–	8,943,727
Additions	106,547	–	–	–
Reclassifications	–	(8,943,198)	–	(8,943,727)
Balance at December 31	**1,646,457**	**1,539,910**	**–**	**–**

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for certain construction related services are not due from the customer until the services are complete and therefore a contract asset is recognised over the period in which the services are performed to represent the entity's right to consideration for the services transferred to date.

27. Issued capital and dividend

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Share capital (note 27.1)	792,000	660,000	792,000	660,000
Share premium	425,440	425,440	425,440	425,440
	1,217,440	**1,085,440**	**1,217,440**	**1,085,440**

27.1 Share capital

The authorised share capital of the Company is ₦800 million (2019: ₦800 million). This comprises 1.6 billion (2019: 1.6 billion) ordinary shares of 50 Kobo each. Issued and fully paid share capital consists of 1.58 billion (2019: 1.32 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.

27.2 Scrip capitalisation

Resolved and declared at the 50th Annual General Meeting, the capitalisation of the sum of ₦132 million (one hundred and thirty-two million Naira) from the retained earnings has been distributed as fully paid-up ordinary shares to the existing shareholders, whose names appeared in the register of members as at the close of business on May 29, 2020 in the proportion of one new ordinary share for every five existing ordinary shares held by them.

27.2.1 Additional scrip issue

The Directors are recommending, in addition to the declaration of dividend, the capitalisation of the sum of ₦8 million (eight million Naira) from the retained earnings, to be distributed as fully paid-up ordinary shares to the existing shareholders, whose name appears in the register of members as at the close of business on May 28, 2021 in the proportion of one new ordinary share for every ninety-nine existing ordinary shares held by them.

27.3 Dividend

The Directors are proposing a final dividend in respect of the financial year ended December 31, 2020, of ₦0.40 per share (2019: ₦2.00), which will absorb an estimated ₦633.6 million (2019: ₦2.64 billion) of equity. Subject to approval, it will be paid on June 18, 2021, to shareholders on the register of members as at close of business on May 28, 2021 (qualification date). The dividend has not been provided for and withholding tax will be deducted at the appropriate rate when payment is made.

27.3.1 Unclaimed dividend

Unclaimed dividend is the balance of dividend declared by the Company but yet to be claimed by shareholders after 15 months of initial payment. The amount relates to the portion that has been transferred to the Company by the Registrar in accordance with Securities and Exchange Commission guidelines on Return of Unclaimed Dividends. The amount is payable on demand to shareholders.

Unclaimed dividend as at December 31, 2020	Year	Registrar ₦ 000	Company ₦ 000
Dividend No. 32	2009	6,799	43,263
Dividend No. 33	2010	10,857	56,950
Dividend No. 34	2011	7,174	81,232
Dividend No. 35	2012	7,927	108,030
Dividend No. 36	2013	7,774	107,156
Dividend No. 37	2014	(2,767)	128,424
Dividend No. 38	2015	1,564	129,284
Dividend No. 39	2016	3,533	79,852
Dividend No. 40	2018	6,444	65,371
Dividend No. 41	2019	26,978	118,404
Dividend No. 42	2020	174,986	–

28. Non-controlling interest

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at beginning of year	57,357	61,609	–	–
Share of profit for the year	3,838	3,748	–	–
Dividend paid to non-controlling interest	(2,000)	(8,000)	–	–
Balance at end of year	**59,195**	**57,357**	**–**	**–**

29. Borrowings

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Bank overdraft (29.1)	19,301,811	6,211,311	19,301,811	6,211,311
Term loan (29.2)	7,813,823	9,092,469	7,813,823	9,092,469
	27,115,634	**15,303,780**	**27,115,634**	**15,303,780**

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

29.1 Bank overdraft

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

29.2 Term loan

This relates to the drawdown of a loan of €25,000,000 secured from Zenith Bank Plc in 2019 to finance the purchase and importation of various construction equipment. The loan has a tenure of five years and repayable in ten equal and consecutive semi-annual installment commencing six months from the date of initial drawdown at an interest of 6.2%.

29.2.1 Term loan movement schedule

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at beginning of year	9,092,469	–	9,092,469	–
Additions in the year	–	9,092,469	–	9,092,469
Exchange difference	666,543	–	666,543	–
Repayment in the year	(1,945,189)	–	(1,945,189)	–
Balance at end of year	**7,813,823**	**9,092,469**	**7,813,823**	**9,092,469**
Made up as follows:				
Current portion	2,310,386	1,818,494	2,310,386	1,818,494
Non-current portion	5,503,437	7,273,975	5,503,437	7,273,975
	7,813,823	**9,092,469**	**7,813,823**	**9,092,469**

30. Retirement benefit liabilities

30.1 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 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Balance at January 1	148,450	140,291	136,141	127,676
Provision during the year	2,241,318	1,856,959	2,092,011	1,685,679
Remittance to pension fund administrators	(2,049,467)	(1,848,800)	(1,901,422)	(1,677,214)
Balance at December 31	**340,301**	**148,450**	**326,730**	**136,141**

The total expense for the defined contribution plans amounted to ₦2.24 billion (2019: ₦1.9 billion).

30.2 Defined benefit plan – Discontinued scheme

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Present value of unfunded defined benefit obligation	4,615,549	3,334,920	3,224,121	2,062,135
Net actuarial gains/(losses) not recognised	–	–	–	–
Net liability arising from defined benefit obligation	**4,615,549**	**3,334,920**	**3,224,121**	**2,062,135**

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

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Opening defined benefit obligation	3,334,920	3,045,094	2,062,135	1,582,142
Current service cost	734,503	816,352	143,892	110,392
Interest on defined benefit obligation	267,510	210,261	267,510	210,261
Actuarial gains/(losses) due to experience adjustment	933,841	358,174	933,841	358,174
Payments in the year	(655,225)	(1,094,961)	(183,257)	(198,834)
Closing defined benefit obligation	**4,615,549**	**3,334,920**	**3,224,121**	**2,062,135**

Liability in the Statement of Financial Position is as follows:

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Current portion	340,301	148,450	326,730	136,141
Non-current portion	4,615,549	3,334,920	3,224,121	2,062,135
	4,955,850	**3,483,370**	**3,550,851**	**2,198,276**
The amount recognised in profit or loss and included within staff costs	**3,243,331**	**2,883,572**	**2,503,413**	**2,006,332**

The total amount is recognised in the year analysed as follows:

Statement of Profit or Loss	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Cost of sales	734,503	816,352	143,892	110,392
Administrative expenses	2,508,828	2,067,220	2,359,521	1,895,940
	3,243,331	**2,883,572**	**2,503,413**	**2,006,332**
Other comprehensive income	933,841	358,174	933,841	358,174
	4,177,172	**3,241,746**	**3,437,254**	**2,364,506**

The costs, assets and liabilities of the defined benefit schemes operated by the Group are determined using methods relying on actuarial estimates and assumptions. The actuarial valuation was carried out by Ernst & Young, an independent actuarial firm, and certified by the firm's partner, Mr. Rotimi Okpaise, FRC/2012/NAS/00000000738.

30.3 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 least 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 31/12/2020 Percentage	Valuation at 31/12/2019 Percentage
Discount rate(s)	9.0 %	13.5 %
Expected rate(s) of salary increase	10.0 %	12.0 %
Average rate(s) of inflation	11.0 %	11.0 %

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

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 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:	**1,002,013**	**1,026,613**	**411,402**	**320,653**

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

31. Trade and other payables

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Trade payables	39,085,652	35,687,226	24,413,434	20,487,494
Other payables				
Amount owed to related entities (Note 36.2)	–	–	27,084,481	17,281,665
Other taxation and social security costs	2,404,681	7,047,779	2,404,681	7,046,786
Accruals and deferred income	13,036,308	12,517,538	4,612,691	7,114,732
Dividend payable (Note 31.3)	1,004,889	867,041	1,004,889	867,041
Other payables	362,715	(66,240)	104,968	57,768
Trade and other payables	**55,894,245**	**56,053,344**	**59,625,144**	**52,855,486**
Analysed as follows:				
Current Portion	49,720,753	47,026,280	57,611,546	47,988,316
Non-current Portion	6,173,492	9,027,064	2,013,598	4,867,170
	55,894,245	**56,053,344**	**59,625,144**	**52,855,486**

31.1 Trade payables

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.

31.2 Other taxation and social security costs

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.

31.3 Dividend summary

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Balance at January 1	867,041	818,885	867,041	800,885
Dividend declared	2,642,000	2,648,000	2,640,000	2,640,000
Dividend refunded (GTL Registrars)	137,848	66,156	137,848	66,156
	3,646,889	3,533,041	3,644,889	3,507,041
Payment (GTL Registrars)	(2,642,000)	(2,666,000)	(2,640,000)	(2,640,000)
Balance at December 31	**1,004,889**	**867,041**	**1,004,889**	**867,041**

32. Lease liabilities

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Maturity analysis - Contractual undiscounted cash flows				
Less than one year	831,248	1,253,076	766,134	271,078
One to five years	8,190,312	7,344,477	873,465	578,677
More than five years	12,907,135	12,555,385	780,000	–
Total undiscounted lease liabilities at December 31	**21,928,695**	**21,152,938**	**2,419,599**	**849,755**
Lease liabilities included in the statement of financial position at December 31, 2020				
Balance at January 1	14,839,120	17,118,677	656,476	2,248,493
Addition during the year	2,701,474	–	1,138,396	–
Interest on leases	868,019	759,037	98,065	79,974
Payments during the year	(2,598,493)	(3,038,594)	(1,295,705)	(1,671,991)
Balance at December 31	**15,810,120**	**14,839,120**	**597,232**	**656,476**
Analysed as follows:				
Current Portion	1,561,390	1,370,703	179,908	179,908
Non-current Portion	14,248,730	13,468,417	417,324	476,568
	15,810,120	**14,839,120**	**597,232**	**656,476**
Amounts recognised in profit or loss				
Interest on lease liabilities	868,019	759,037	98,065	79,974
Armotisation of rights-of-use assets	1,491,568	1,303,001	1,112,797	585,358
Amounts recognised in the statement of cash flows				
Total cash outflow for leases recognised in the statement of cash flows	**2,598,493**	**3,038,594**	**1,295,705**	**1,671,991**

33. Provisions

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Balance at beginning of year	873,946	1,074,169	300,000	832,360
Provision no longer required	–	(532,360)	–	(532,360)
Provision for the year	342,406	332,137	–	–
Balance at end of year	**1,216,352**	**873,946**	**300,000**	**300,000**
Made up as follows:				
Current portion	–	–	–	–
Non-current portion	1,216,352	873,946	300,000	300,000
	1,216,352	**873,946**	**300,000**	**300,000**

34. Reconciliation of profit to net cash provided by operating activities

	Group 31/12/2020 ₦000	Group 31/12/2019 ₦000	Company 31/12/2020 ₦000	Company 31/12/2019 ₦000
Profit for the year	7,285,688	7,558,102	5,010,198	6,323,248
Adjustment for:				
Investment income	(461,325)	(677,913)	(1,004,273)	(687,932)
Finance costs	3,715,933	7,000,207	3,717,075	7,227,547
Depreciation of PPE	6,566,702	7,182,166	6,265,650	6,918,697
Impairment loss	197,520	(855,517)	319,792	(714,952)
Depreciation of investment property	(180,475)	467,581	(180,475)	467,581
Actuarial gains on retirement benefits	933,841	358,174	933,841	358,174
Gain on disposal of PPE	(1,270,472)	(511,253)	(1,272,190)	(510,952)
Adjustment/interest on lease liabilities	424,913	(1,527,587)	98,065	(656,476)
Amortisation of right-of-use/intangible assets	1,978,485	1,491,568	1,112,797	585,358
(Decrease)/increase in provisions	342,406	(200,223)	–	(532,360)
Operating cash flows before movements in working capital	**19,533,217**	**20,285,305**	**15,000,480**	**18,777,933**
Decrease/(increase) in inventories	2,982,997	(6,054,778)	2,517,445	(6,553,708)
Increase in gross amount due from customers	(106,546)	–	–	–
(Increase)/decrease in trade and other receivables	(19,007,423)	22,967,983	(8,303,422)	14,480,613
Increase in tax receivable	(2,586,898)	(7,661,940)	(2,602,316)	(7,714,353)
Increase/(decrease) in retirement benefit liabilities	707,860	(60,189)	418,733	130,283
Increase/(decrease) in trade and other payables	10,533,092	(5,485,216)	6,769,660	(981,231)
(Decrease)/increase in contract liabilities	(3,907,392)	13,226,518	(2,569,451)	9,500,306
Cash generated by operations	**8,148,907**	**37,217,683**	**11,231,129**	**27,639,843**
Movement in taxation	(2,339,165)	1,961,404	(1,599,108)	1,633,383
Net cash from operating activities	**5,809,742**	**39,179,087**	**9,632,021**	**29,273,226**

34.1 Analysis of cash, cash equivalents and net cash

Group	Balance at 01/01/2020 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2020 ₦ 000
Cash and bank balances	**34,133,479**	**798,382**	**–**	**34,931,861**
Cash and cash equivalents	34,133,479	798,382	–	34,931,861
Bank overdraft	(6,211,311)	(13,090,500)	–	(19,301,811)
	27,922,168	**(12,292,118)**	**–**	**15,630,050**

Company	Balance at 01/01/2020 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2020 ₦ 000
Cash and bank balances	**13,482,732**	**6,770,931**	**–**	**20,253,663**
Cash and cash equivalents	13,482,732	6,770,931	–	20,253,663
Bank overdraft	(6,211,311)	(13,090,500)	–	(19,301,811)
	7,271,421	**(6,319,569)**	**–**	**951,852**

35. Financial instruments

35.1 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 Consolidated 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 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Bank overdraft	(19,301,811)	(6,211,311)	(19,301,811)	(6,211,311)
Debt	(7,813,823)	(9,092,469)	(7,813,823)	(9,092,469)
Cash and bank balance	34,931,861	34,133,479	20,253,663	13,482,732
Net debt (i)	**7,816,227**	**18,829,699**	**(6,861,971)**	**(1,821,048)**
Equity (ii)	**44,947,602**	**40,327,992**	**22,764,368**	**20,394,170**
Net debt to equity ratio	**0.17**	**0.47**	**(0.30)**	**(0.09)**

i. Debt is defined as current and non-current term borrowings as described in the appropriate note 29
ii. Equity includes all capital and reserves of the Group that are managed as capital

35.2 Categories of financial instruments

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Financial Assets				
Loans and receivables (amortised costs)				
Trade and other receivables	139,104,844	129,983,318	135,813,015	126,558,677
Tax receivables	30,532,451	27,878,593	29,471,664	26,869,348
Contact assets	1,646,457	1,539,910	–	–
Other financial assets	2,305,606	2,048,547	–	–
Cash and bank balances	34,931,861	34,133,479	20,253,663	13,482,732
Total reportable financial assets	**208,521,219**	**195,583,847**	**185,538,342**	**166,910,757**
Financial liabilities				
Amortised cost				
Borrowings	27,115,634	15,303,780	27,115,634	15,303,780
Trade and other payables	57,628,018	57,118,456	59,925,144	53,155,486
Lease liabilities	15,810,120	14,839,120	597,232	656,476
Current tax liabilities	2,625,336	3,927,454	2,338,538	3,730,078
Fair Value Through Other Comprehensive Income (FVOCI)				
Retirement benefit liabilities	4,955,850	3,483,370	3,550,851	2,198,276
Total reportable financial liabilities	**108,134,958**	**94,672,180**	**93,527,399**	**75,044,096**

35.3 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.

35.3.1 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.

35.3.1.1 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.

35.3.2 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 Accounts 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 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Monetary assets / liabilities denominated in Euro				
Cash and bank balances	14,184,437	20,315,543	219,283	519,497
Trade receivables	10,895,471	19,332,008	3,822,272	13,711,233
Trade payables	(24,454,526)	(26,883,269)	(19,123,129)	(24,438,274)
	625,381	**12,764,282**	**(15,081,574)**	**(10,207,544)**
Monetary assets / liabilities denominated in Dollar				
Cash and bank balances	13,131,083	10,626,098	13,018,812	10,245,922
Trade receivables	(18,531,813)	3,164,469	(18,711,195)	2,639,819
Trade payables	25,025	(398,376)	110,152	(326,676)
	(5,375,705)	**13,392,191**	**(5,582,230)**	**12,559,065**

For Euro and US Dollar, 22.94% and 12.55% (2019: 0.14% and 1.75%) respectively are the sensitivity rates used when reporting foreign currency risk internally to Key Management Personnel and represents Management's assessment of the reasonable 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 22.94% and 12.55% (2019: 0.14% and 1.75%) 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 an increase or decrease in foreign exchange movement would result in the same amount.

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Naira depreciates by 22.94% (2019: 1.75%) against Euro	(10,944)	(223,375)	(3,459,713)	178,632
Naira depreciates by 12.55% (2019: 0.14%) against US Dollar	(7,526)	(18,749)	(700,570)	(17,583)
Impact on reported profit	**(18,470)**	**(242,124)**	**(4,160,283)**	**161,049**

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.

35.3.3 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.

35.3.3.1 Trade receivables

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with government, government institutions and other top rated 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. See note 24 for further information.

35.3.3.2 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.

35.3.3.3 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 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Trade receivables	138,844,897	129,830,351	130,867,422	122,889,149
Cash and bank balances	34,931,861	34,133,479	20,253,663	13,482,732
	173,776,758	163,963,830	151,121,085	136,371,881

35.3.3.4 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.

35.3.3.5 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.

Julius Berger Nigeria Plc AR & CFS 2020 | Notes to the Financial Statements

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	74,257,274	64,847,570	–	139,104,844
Tax receivable	2,349,524	28,182,927	–	30,532,451
Contract assets	1,646,457	–	–	1,646,457
Other financial assets	–	2,305,606	–	2,305,606
Cash and bank balances	34,931,861	–	–	34,931,861
	113,185,116	95,336,103	–	208,521,219
Financial liabilities				
Bank overdraft	27,115,634	–	–	27,115,634
Trade and other payables	57,628,018	–	–	57,628,018
Current tax liabilities	2,625,336	–	–	2,625,336
Retirement benefit liabilities	340,301	4,615,549	–	4,955,850
	87,709,289	4,615,549	–	92,324,838

Company	< 1 year ₦ 000	1 – 3 years ₦ 000	3 – 6 years ₦ 000	Total ₦ 000
Financial assets				
Trade and other receivables	70,965,445	64,847,570	–	135,813,015
Tax receivable	2,063,572	27,408,092	–	29,471,664
Cash and bank balances	20,253,663	–	–	20,253,663
	93,282,680	92,255,662	–	185,538,342
Financial liabilities				
Bank overdraft	27,115,634	–	–	27,115,634
Trade and other payables	59,925,144	–	–	59,925,144
Current tax liabilities	2,338,538	–	–	2,338,538
Retirement benefit liabilities	326,730	3,224,121	–	3,550,851
	89,706,046	3,224,121	–	92,930,167

35.3.4 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.

36. Related party information

36.1 Identity of related entities

- Abumet Nigeria Ltd., subsidiary
- Julius Berger Free Zone Enterprise, subsidiary
- Julius Berger International GmbH, subsidiary
- Julius Berger Investments Ltd., subsidiary
- Julius Berger Medical Services Ltd., subsidiary
- Julius Berger Services Nigeria Ltd., subsidiary
- PrimeTech Design and Engineering Nigeria Ltd., subsidiary
- Construction Engineering Contracting GmbH, sub-subsidiary
- Key Management Personnel (note 36.4)

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 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.

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 Nigeria Plc AR & CFS 2020 | Notes to the Financial Statements

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 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.

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.

36.2 Outstanding balances

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Due from related entities				
Abumet Nigeria Ltd.	–	–	2,109,731	1,617,146
Julius Berger Investment Ltd.	–	–	104,411	88,940
Julius Berger Medical Services Ltd.	–	–	54,341	151,855
Julius Berger Services Nigeria Ltd.	–	–	1,990,683	1,348,974
PrimeTech Design and Engineering Nigeria Ltd.	–	–	435,056	318,051
	–	**–**	**4,694,222**	**3,524,966**
Due to related entities				
Abumet Nigeria Ltd.	–	–	381,555	373,397
Julius Berger Free Zone Enterprise	–	–	519,186	369,541
Julius Berger International GmbH	–	–	25,073,768	15,937,606
Julius Berger Medical Services Ltd.	–	–	646,115	551,108
Julius Berger Services Nigeria Ltd.	–	–	415,796	–
PrimeTech Design and Engineering Nigeria Ltd.	–	–	48,060	50,013
	–	**–**	**27,084,480**	**17,281,665**

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

36.3 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
Abumet Nigeria Ltd.	–	–	691,381	1,393,311
Julius Berger Free Zone Enterprise	–	–	–	–
Julius Berger International GmbH	–	–	–	35,726,666
Julius Berger Medical Services Ltd.	–	–	693,549	1,272,161
Julius Berger Services Nigeria Ltd.	–	–	881,849	2,273,732
PrimeTech Design and Engineering Nigeria Ltd.	–	–	713,863	1,133,993
	–	**–**	**2,980,642**	**41,799,863**

36.4 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.

36.4.1 Remuneration of Key Management Personnel

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Short term benefits	943,601	631,618	943,601	631,618
Long term benefits	–	–	–	–
Post-employment benefits	–	–	–	–
Termination benefits	–	–	–	–
	943,601	**631,618**	**943,601**	**631,618**

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

36.5 Details of loans from/to Key Management Personnel

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

36.6 Identify the ultimate controlling party of Julius Berger Nigeria Plc

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

36.7 Other information on Key Management Personnel

	Group 31/12/2020 ₦ 000	Group 31/12/2019 ₦ 000	Company 31/12/2020 ₦ 000	Company 31/12/2019 ₦ 000
Emoluments				
Chairman	10,500	10,500	10,500	10,500
Other Directors	933,101	621,118	933,101	621,118
	943,601	**631,618**	**943,601**	**631,618**
Fees	52,000	52,000	52,000	52,000
Other emoluments	891,601	579,618	891,601	579,618
	943,601	**631,618**	**943,601**	**631,618**
Highest paid Director	**316,642**	**217,070**	**316,642**	**217,070**

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

₦ 1,000,001 – ₦ 3,000,000	7	7	6	6
₦ 3,000,001 and above	6	6	6	6
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.

37. Guarantees and other financial commitments

37.1 Guarantee, pledge of financial commitments

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

37.2 Contingent liabilities

There are a number of legal suits outstanding against the Company as at December 31, 2020. On the advice of the solicitors, the Board of Directors is of the opinion that no material losses are expected to arise there from. However, the Company has provided for litigation claims.

37.3 Financial commitments

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

38. 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, 2020, and the profit for the year then ended date that have not been adequately provided for or recognised in the Consolidated Financial Statements.

39. Comparative figures

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

40. Approval of Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on March 24, 2021.

41. Impact of COVID-19

The whole world and therefore the whole Group is affected by the COVID-19 pandemic, which started to impact on its Group operations as from middle of March 2020. Following Governmental regulations on COVID-19, a shutdown of business activities was carried out between March and May 2020. After a phased and gradual easing of the lockdown, operations across all Julius Berger Nigeria Plc sites and subsidiaries resumed. Costs for demobilization and remobilization of construction sites are included in the Cost of Sales Q4 2020. Due to the persisting pandemic, the Company considered expected future impacts on the basis of the following accounting standards.

Julius Berger Nigeria Plc AR & CFS 2020 | Notes to the Financial Statements

41.1 Expected credit losses under IFRS 9 (Financial instruments)

COVID-19 can affect the ability of the Group to receive payments as and when due, which is an indication of a significant increase in credit risk. For this, the Group reviewed its impairment assessment of trade receivables.

41.2 Impairment of tangible and intangible assets under IAS 36 (Impairment of non-financial assets)

As a result of the impact of COVID-19, the Group performed an impairment assessment of assets (in addition to the requirement to perform an impairment test at least annually of goodwill and intangible assets with an indefinite useful life).

41.3 The net realisable value of inventory under IAS 2 (Inventories)

Since the Company's construction level is abnormal (temporary shutdown of construction sites), the Group has reviewed the costing of inventories to ensure that unallocated fixed overheads are recognised in profit or loss in the period in which they are incurred in accordance with IAS 2.

41.4 Deferred tax assets in accordance with IAS 12 (Income taxes)

Tax considerations, e.g. the impact of a reduced flow of goods and services on transfer pricing agreements, recoverability of deferred tax assets and emergency economic stimulus by tax authorities in the form of special tax rebate has been assessed by the Group.

The Board of Directors is taking all necessary steps to ensure business continuity for the Group and to protect its turnover, results and cash-flow, as much as possible against the impacts from the COVID-19 pandemic and its impact on the Nigerian economy.

42. Corporate diversification

At the meeting held on September 22, 2020, the Board of Directors approved a diversification opportunity for the Company within the agro-processing sector. The Board of Directors and the Executive Mangement strongly believe that this diversification direction will support the continued success of the Group in the future and align with the strategic objective of the Government to stimulate value creation in Nigeria.

43. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Julius Berger Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the Policy during the period.

PrimeTech Design and Engineering Nigeria Ltd. provides technically advanced and value-driven design and engineering solutions for the construction of buildings, civil structures, industries, roads and infrastructure. The company's portfolio covers all design and engineering phases from research, to drafts and concepts, to detailed construction design, as well as master planning.

PRIMETECH

ADDITIONAL INFORMATION

for the year ended December 31, 2020

Julius Berger Nigeria Plc AR & CFS 2020 | Statement of Value Added

STATEMENT OF VALUE ADDED

"Value added" represents the additional wealth that 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 2020 ₦000	Group 2020 %	Group 2019 ₦000	Group 2019 %	Company 2020 ₦000	Company 2020 %	Company 2019 ₦000	Company 2019 %
Revenue	**241,779,455**		**266,430,227**		**235,206,675**		**243,488,979**	
Bought in materials and services								
Foreign	(21,923,982)		(6,782,257)		(38,568,161)		(47,576,113)	
Local	(135,005,797)		(160,391,734)		(129,064,100)		(125,667,936)	
Value added	**84,849,676**	**100.0**	**99,256,236**	**100.0**	**67,574,414**	**100.0**	**70,244,930**	**100.0**
Applied as follows:								
To pay employees' salaries, wages, and social benefits								
Staff costs	64,833,242	76.4	72,372,375	72.9	50,351,796	74.5	46,278,411	65.9
To pay providers of capital								
Finance costs	3,715,933	4.4	7,000,207	7.1	3,717,075	5.5	7,227,547	10.3
To pay government								
Taxation	3,190,998	3.8	5,081,659	5.1	2,338,538	3.5	3,730,078	5.3
To provide for maintenance and development								
Depreciation	6,670,273	7.9	7,280,891	7.3	6,364,375	9.4	7,017,422	10.0
Deferred tax	(846,458)	(1.0)	(36,998)	(0.0)	(207,568)	(0.3)	(331,776)	(0.5)
Retained earnings	7,281,850	8.6	7,554,354	7.6	5,010,198	7.4	6,323,248	9.0
Non-controlling interest	3,838	0.0	3,748	0.0	–	–	–	–
Value added	**84,849,676**	**100.0**	**99,256,236**	**100.0**	**67,574,414**	**100.0**	**70,244,930**	**100.0**

Julius Berger Nigeria Plc AR & CFS 2020 | Five-Year Financial Summary

FIVE-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.

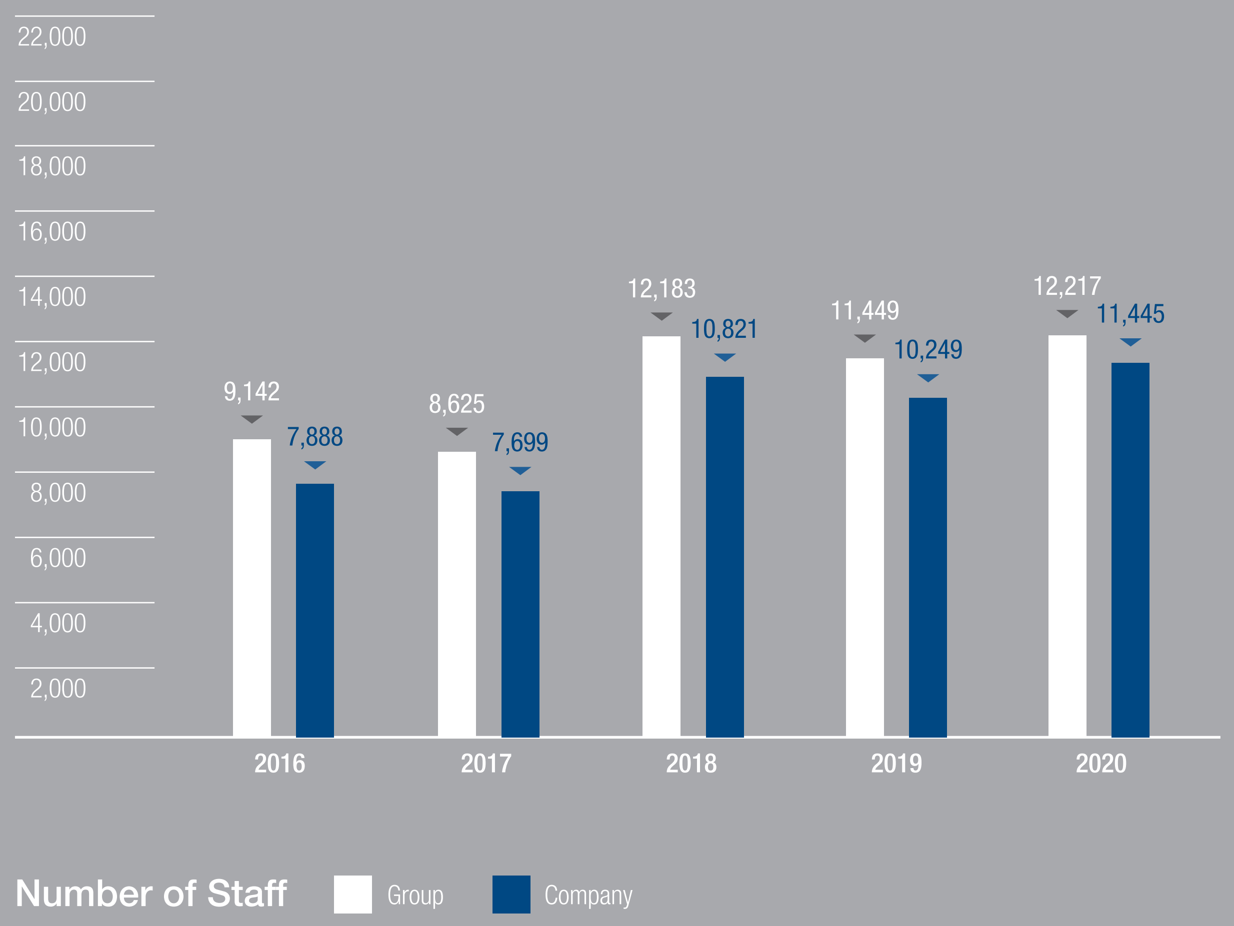
Balance Sheet	Group 2020 ₦000	Group 2019 ₦000	Group 2018 ₦000	Group 2017 ₦000	Group 2016 ₦000	Company 2020 ₦000	Company 2019 ₦000	Company 2018 ₦000	Company 2017 ₦000	Company 2016 ₦000
Non-current assets										
Property, plant and equipment	45,567,163	42,769,660	41,342,451	43,621,129	49,712,834	42,315,804	39,700,230	38,636,436	41,036,466	47,093,218
Right-of-use assets	14,267,877	13,457,535	–	–	–	1,957,975	1,918,354	–	–	–
Goodwill	11,393,512	9,268,642	9,434,576	9,781,954	8,348,748	–	–	–	–	–
Other intangible assets	2,074,253	2,262,821	–	1,383	2,766	–	–	–	–	–
Investment property	1,972,907	1,792,431	2,260,012	2,342,484	2,444,460	1,972,907	1,792,431	2,260,012	2,342,484	2,444,460
Investment in subsidiaries	–	–	–	–	–	16,916,771	16,916,771	16,916,771	16,916,771	15,193,398
Trade and other receivables	64,847,570	52,908,763	61,346,789	68,842,492	61,228,646	64,847,570	52,908,763	65,128,223	70,689,703	61,209,346
Tax receivables	28,182,927	24,400,384	17,211,734	14,875,011	26,026,032	27,408,092	23,566,705	17,644,652	14,103,168	25,282,312
Deferred tax assets	4,413,990	3,798,902	2,577,821	2,816,807	5,453,858	4,011,003	3,617,728	2,434,847	2,526,664	5,375,286
Other financial assets	2,305,606	2,048,547	2,045,681	2,025,055	–	–	–	–	–	–
Net current liabilities	77,539,032	100,259,125	76,052,400	27,231,433	14,820,415	49,847,723	72,391,777	51,843,212	5,504,602	(2,132,893)
	252,564,837	**252,966,810**	**212,271,464**	**171,537,748**	**168,037,759**	**209,277,845**	**212,812,759**	**194,864,153**	**153,119,858**	**154,465,127**
Non-current liabilities										
Borrowings	(5,503,437)	(7,273,975)	–	–	–	(5,503,437)	(7,273,975)	–	–	–
Retirement benefits liabilities	(4,615,549)	(3,334,920)	(3,045,094)	(2,587,335)	(2,463,491)	(3,224,121)	(2,062,135)	(1,582,142)	(1,598,239)	(1,311,668)
Deferred tax liabilities	(8,498,928)	(8,730,298)	(7,546,216)	(7,214,400)	(9,185,562)	(7,694,250)	(7,508,543)	(6,657,438)	(6,456,153)	(9,090,213)
Contract liabilities	(167,360,747)	(169,930,198)	(160,609,800)	(122,881,472)	(119,098,895)	(167,360,747)	(169,930,198)	(160,609,800)	(122,881,472)	(119,098,895)
Lease liabilities	(14,248,730)	(13,468,417)	–	–	–	(417,324)	(476,568)	–	–	–
Trade and other payables	(6,173,492)	(9,027,064)	(4,578,295)	(8,284,314)	(11,519,264)	(2,013,598)	(4,867,170)	(8,471,491)	(8,284,314)	(11,519,264)
Provisions	(1,216,352)	(873,946)	(1,074,169)	(474,296)	(454,232)	(300,000)	(300,000)	(832,360)	(300,000)	(300,000)
Net Assets	**44,947,602**	**40,327,992**	**35,417,890**	**30,095,931**	**25,316,315**	**22,764,368**	**20,394,170**	**16,710,922**	**13,599,680**	**13,145,087**
Capital and reserves										
Share capital	792,000	660,000	660,000	660,000	660,000	792,000	660,000	660,000	660,000	660,000
Share premium	425,440	425,440	425,440	425,440	425,440	425,440	425,440	425,440	425,440	425,440
Foreign currency translation reserve	15,987,480	9,303,052	10,260,927	9,508,398	7,119,062	–	–	–	–	–
Retained earnings	27,683,487	29,882,143	24,009,914	19,447,014	17,065,287	21,546,928	19,308,730	15,625,482	12,514,240	12,059,647
Attributable to equity holders of the parent	**44,888,407**	**40,270,635**	**35,356,281**	**30,040,852**	**25,269,789**	**22,764,368**	**20,394,170**	**16,710,922**	**13,599,680**	**13,145,087**
Non-controlling interest	59,195	57,357	61,609	55,079	46,526	–	–	–	–	–
	44,947,602	**40,327,992**	**35,417,890**	**30,095,931**	**25,316,315**	**22,764,368**	**20,394,170**	**16,710,922**	**13,599,680**	**13,145,087**
Revenue and profit										
Revenue	241,779,455	266,430,227	194,617,712	141,890,498	138,993,752	235,206,675	243,488,979	170,326,746	125,777,848	119,813,392
Profit/(Loss) before taxation	3,856,642	13,918,812	10,197,666	3,739,140	(1,498,029)	8,075,009	10,079,724	6,630,666	1,158,214	(1,239,251)
Profit/(Loss) after taxation	7,281,850	7,554,354	6,992,399	4,771,064	3,015,014	5,010,198	6,323,248	4,788,211	454,593	(3,533,365)
Dividend	–	2,642,000	2,648,000	1,322,000	–	–	2,640,000	2,640,000	1,320,000	–
Earnings/(Loss) per ordinary share (₦)										
Actual	4.60	5.72	5.30	3.61	2.28	3.16	4.79	3.63	0.34	(2.68)
Diluted / Adjusted	4.55	4.72	4.37	2.98	1.88	3.13	3.95	2.99	0.28	(2.21)
Net asset per share (₦)										
Actual	28.38	30.55	26.83	22.80	19.18	14.37	15. 45	12.66	10.30	9.96
Diluted / Adjusted	28.09	25.20	22.14	18.81	15.82	14.23	12.75	10.44	8.50	8.22
Dividend per share (₦)										
Actual	–	2.00	2.00	1.00	–	–	2.00	2.00	1.00	–
Diluted / Adjusted	–	2.00	1.67	0.83	–	–	2.00	1.67	0.83	–
Dividend cover (times)	–	3.32	6.64	4.62	–	–	2.49	4.97	3.52	–

SHARE CAPITAL HISTORY

Year	Authorised share capital as defined under CAMA 2004 Number of shares	Nominal value ₦	Issued and paid-up share capital Number of shares	Nominal value ₦
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
2020	1,600,000,000	800,000,000	1,584,000,000	792,000,000

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



JULIUS BERGER

SHAREHOLDER INFORMATION

Our Esteemed Shareholders,

It is laudable that tremendous steps have been taken by you our esteemed shareholders and indeed the Regulators, to address the parlous state of the unclaimed dividend balances as well as the status of unclaimed certificates. This we have all achieved by the mandate of bank accounts and the adoption of electronic certification through the CSCS. We still have more work to do especially for those of our shareholders who have yet to adopt any of the electronic means stated herein.

To this end, all shareholders of the Company still with unclaimed dividends and certificates are 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) to shareholder(s) with mandated accounts.
3. Establish CSCS accounts to which shares arising from corporate actions such as bonus, rights and offers for sale or subscription would be credited.

We would also like to advise our esteemed shareholders that the Annual Reports and Consolidated Financial Statements together with the Proxy and Admission Forms are available for download on the investor relations portal on the Company's website, www.julius-berger.com, as well as on the website of the Registrars, Greenwich Registrars & Data Solutions 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. Please note that paper certification is no longer obtainable.

We would also wish to take this opportunity to advise our shareholders that the Board of Directors 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
FRC / 2017 / NBA / 00000017540

Proxy Form

51st Annual General Meeting (AGM) of Julius Berger Nigeria Plc to be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, FCT Abuja on Thursday June 17, 2021, at 11:00 a.m. in the forenoon.
I/We being a member/members of Julius Berger Nigeria Plc hereby appoint the Chairman of the meeting or failing him ______________

______________ as my/our proxy to vote for me/us and on my/our behalf at the 51st AGM of that Company to be held on June 17, 2021 and at every adjournment thereof.
Unless otherwise instructed, the proxy will vote or abstain from voting as he/she thinks fit.

Notes

1. Please indicate with an 'x' in the appropriate box 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. A proxy need not be a member of the Company. The above proxy form has been prepared and stamp duties paid to enable you exercise your right to vote in case you cannot personally attend the Meeting. 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 in default appointment. Members, entitled to attend and vote at this AGM, may however wish to appoint as alternative to the Chairman, any of the underlisted selected persons as their proxies, to attend and vote in their stead:
   - Mr. Mutiu Sunmonu, CON
   - Alhaji Zubairu Ibrahim Bayi
   - Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD
   - Mrs. Adebisi Oluwayemisi Bakare
   - Mr. Patrick Ajudua
   - Sir Sunny Nnamdi Nwosu, KSS
   - Mr. Mathew Akinlade
   - Mrs. Adetutu Ganiyat Siyanbola
   - Hon. Bright Nwabughogu
   - Mrs. Oludewa Thorpe
4. Please sign the above proxy form and post it so as to reach the Registrars, Greenwich Registrars & Data Solutions 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. The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

Shareholder Name

Proxy Name

Date (dd/mm/yyyy)

Shareholder's Signature

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

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out below.

The information on shareholders nominated as members of the Statutory Audit Committee of the Company can be found on the Company's website www.julius-berger.com. Shareholders should guide their proxies as appropriate.

Nos.	Resolutions	For	Against
1.	To declare a dividend		
2.	To re-elect Mr. George Marks, as a Director		
3.	To re-elect Engr. Jafaru Damulak as a Director		
4.	To re-elect Dr. Ernest Nnaemeka Azudialu-Obiejesi as a Director		
5.	To authorise the Directors to fix the remuneration of Auditors		
6.	To constitute the Statutory Audit Committee		
7.	To fix the remuneration of Directors		
8.	To declare a bonus		
9.	To authorise the Directors to deal with the fractional shares arising from the bonus		
10.	To authorise the Directors to give effect to the resolutions on bonus		
11.	To approve and adopt the new Memorandum and Articles of Association of the Company		

Admission Card

Please admit the person named below at the 51st AGM of Julius Berger Nigeria Plc to be held at 11:00 a.m. in the forenoon on Thursday, June 17, 2021, at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, FCT Abuja.

Mrs. Cecilia Ekanem Madueke
Company Secretary
FRC / 2017 / NBA / 00000017540

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 or their proxies must sign this authority for admission before attending the meeting.

Attendee's Name

Signature of Attendee

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

For Registrars/Company Use Only

Shareholder Name

Number of Shares

Please fold here for posting.

Please affix postage stamp here

The Registrars
Greenwich Registrars & Data Solutions 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
Greenwich Registrars & Data Solutions Ltd.
274 Muritala Muhammed Way
Ebute Metta 101 212
Lagos

Please fold here for posting.

GROUP POLICY ON SEVERANCE PAY FOR NON-EXECUTIVE DIRECTORS

1. Purpose

This Group Policy on Severance Pay for Non-Executive Directors ("NEDs") of Julius Berger Nigeria Plc determines the principles and computation of severance pay for NEDs. The Governance documents of Julius Berger Nigeria Plc adequately defines a NED.

This Policy is aligned to corporate strategy, stakeholder's interests and takes cognisance of Regulations and Laws.

2. Principles

This Policy is informed by the following underlying principles:

1. It must reflect the new and enhanced responsibilities for NEDs for which NEDs must contribute more of their time, skills and resources, than previously known.
2. A NED that has served the boards in the Group has contributed to the growth of the Group. This policy aims to recognise the intrinsic value contributed to the Group by exiting NEDs.
3. Severance pay shall be payable only as a lump sum and shall be paid once to a NED irrespective of the number of boards in the Group that such a NED sits on.

3. Application

The policy applies only to NEDs of the Group and shall only be paid upon the exit of a NED from the boards of the Group.

Severance Pay paid shall be disclosed as is required by existing Regulations and Laws.

This Policy is subject to Shareholders' approval before becoming effective.

4. Computations

4.1 Computation of Severance Pay

Severance Pay shall be computed as follows (P x %) x Y where:

1. P is the annual "Directors' Fees" at the point in time of exit ("Directors' Fees");
2. % is 40% (forty percentile);
3. Y is the number of Years spent by the NED on the Board, subject to a maximum cap of ten years. A fraction of a year would be considered a year where the fraction is more than half of a year.

4.2 Cap on Maximum Amount Payable

The maximum amount payable to a NED, irrespective of the computation described in Paragraph 4.1 above, shall be capped at the sum of ₦25 million.

5. Adoption

This policy on Severance Pay for Non-Executive Directors was approved by the Group Board on December 6, 2019 and members in general meeting on June 18 2020. It shall remain in effect until such time superseded or amended by the authorisation procedure.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT

1. Introduction

The Code reflects the Group's practices and principles of behaviour that support this commitment. It further defines the legal and ethical standards that govern the Directors and their relationships with the Group, customers, employees, other Directors and with all other parties.

Directors fully understand and acknowledge that:

a. They are entrusted with and are responsible for the oversight of the assets and business affairs of the Group in an honest, fair, diligent and ethical manner.
b. They must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interest of the Group and its stakeholders.

Each Director is expected to read and understand this Code and its application to the performance of his or her responsibilities and to sign an "Acknowledgement" that the Code has been received, read and understood and that he or she agrees to abide by its provisions.

It is understood that no code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for the Directors.

In addition to application to the Directors, this Code shall apply also to every member of Management of the Group. Accordingly, reference to Director shall also include Management.

2. Loyalty

The Directors acknowledge their responsibility to be loyal to the Group, to be fully committed to its activities and to conform to the highest standards of business ethics.

3. Integrity

While the Directors have a primary responsibility is to the Shareholders, the Directors must, at all times, act honestly, in good faith and in the best interests of the Group and its stakeholders and must not engage in any conduct likely to bring discredit to the Group.

4. Conflicts of Interest

Conflicts of interest may exist whenever the interests of a Director conflict in any way or even appears to conflict with the interests of any of the Group. While Directors are free to make personal investments and enjoy social relations and normal business courtesies, they must be conscious of any interests that may adversely influence the performance of their responsibilities.

A conflict situation can arise when a Director takes actions or has interests that may make it difficult to perform his or her Group responsibilities objectively. A Director must not allow personal interests, or the interest of any associated person, to conflict with the interest of the Group or make improper use of information acquired as a Director to gain a personal advantage to the detriment of the Group.

Conflicts of interest also may arise when a Director, or an extended family member, receives improper personal benefits i.e. gifts

Julius Berger Nigeria Plc AR & CFS 2020 | Policies

that would obligate or appear to obligate as a result of his or her position with the Group, whether received from the Group or a third party.

Although it is not always possible to avoid conflicts of interest, it is the Group's policy to prohibit such conflicts when possible. The action which a Director will be required to take if he or she is faced with an actual or potential conflict of interest or duties in relation to a particular matter being considered by the Board will depend on the nature and circumstances of the conflict and may include any of the following:

- consult with the Chairman of the Board;
- full and frank disclosure;
- abstaining from voting on any motion relating to the matter and absenting himself or herself deliberations relating to the matter; or
- resignation.

5. Secret profit

Except as may be approved by the Group Board, all Directors are prohibited from the following:

- taking improper advantage of their position as Directors;
- taking for themselves personally, any opportunities that belong to the Group or are discovered through the use of corporate property, information or position;
- using corporate property, information or position for personal gain;
- competing with the Group.

All Directors are bound by the provisions of the Securities Trading Policy of the Group.

6. Confidentiality

All Directors must maintain the confidentiality of information received in the course of the exercise of Directorial duties, except when the Company authorises disclosure or it is required by laws, regulations or legal proceedings.

Directors must also not use such confidential information for any purpose detrimental to the Group.

The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Group or harmful to the Group or its customers, if disclosed. Whenever feasible, Directors should consult the Chairman if they believe they have a legal obligation to disclose confidential information.

A Director must also not disclose the content of discussions at boards, committees or corporate meetings except within appropriate and reasonable circles in the Group with a legitimate interest in the subject of the disclosures, unless that disclosure has been authorises by the Group, or is required by law.

A Director must not engage in conduct, or make any public statement likely to prejudice the Group's business or likely to harm, defame or otherwise bring discredit upon or denigrate the Group, fellow Directors or staff.

7. Fair dealing

All Directors must endeavour to deal fairly with the respective Group's customers, suppliers, competitors, officers, and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practices.

Inappropriate use of proprietary information, misusing information that was obtained without the Company's consent or inducing such disclosures by past or present employees or an insider of other companies in the Group is prohibited.

A Director must perform his or her duties in good faith, acting honestly and free from intention to defraud.

8. Work environment

The highest priority must be placed on promoting and preserving the health safety, and security of employees and Directors.

9. Protection and proper use of company assets

All Directors should perform their duties in a manner that protects the Group's assets and ensures their efficient use. All Group resources should be used for legitimate business purposes.

10. Accounting complaints

The Board Audit Committee of the Group Board is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters. Any Directors who has concerns or complaints regarding such matters are encouraged to promptly submit those concerns to the Board Audit Committee which, subject to its duties arising under applicable law, regulations, and legal proceedings, will treat such submissions confidentially. Such concerns or complaints may be made anonymously.

11. Fraud, misappropriation, theft, embezzlement and bribery

No Director should commit, aid or assist in any fraud, misappropriation, theft, embezzlement, bribery or any similar activities.

12. Reporting any illegal or unethical behavior

All Directors are encouraged to promptly contact the Chairman or the Chief Compliance Officer if the Director believes that he or she has observed illegal or unethical behaviour by any employee, officer or Director, or by anyone purporting to be acting on the Group's behalf or believes that he or she has been asked or required to engage in an illegal or unethical act, including but not limited to any violation of this Code, and the reporting Director has any doubt about the best course of action in a particular situation. For such reports, confidentiality will be maintained to the extent permitted by law.

13. Obligations

All Directors must ensure the fulfilment of regulatory and statutory obligations imposed on the Group and that adequate controls to ensure compliance with best practices in financial procedures and reporting are in place.

They must also ensure that the accounts/ reports of the Group and its components accurately reflect business performance and are not misleading or designed to be misleading. The Directors must use their reasonable endeavours to attend all corporate meetings. A Director has an obligation, at all times, to comply with the spirit as well as the letter, of the principles of this Code of Conduct.

14. Compliance with laws, rules and regulations

All Directors are under obligation as responsible citizens, to obey the laws of the country and community in which the Group operates, and Directors must comply with all relevant laws, rules and regulations.

15. Standard of conduct

In discharging his or her duty, each Director must at all times act in a manner he or she believes, in good faith, to be in the best interests of the Group and exercise the care an ordinarily prudent person, in a like position, would exercise under similar circumstances. A Director's duty of care refers to the responsibility to exercise appropriate diligence in overseeing the business and affairs of the Group, making decisions and taking all other actions. In meeting the duty of care, Directors are expected to:

- Attend and participate in boards, committees and corporate meetings.
- Remain properly informed about the business and affairs of the Group by devoting appropriate time to reviewing periodic updates provided by Management as well as studying materials for boards, committees and corporate meetings prior to each meeting.
- Rely on others such as employees and professional advisors whenever appropriate.
- Make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that Management is addressing them appropriately.
- Exercise independent judgment and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the boards.
- Bring an enquiring, open and independent mind to meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes to be in the best interests of the Group as a whole. In this regard, opportunity must be provided for a Director to put his or her views on issues before the boards or committees on which he or she sits and Directors should be able to engage in vigorous debate on matters of principle.
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Group and its boards.

16. Amendment, modification and waiver

The Group Board is responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory development. This Code may be amended, modified, or waived by the Group Board.

As a general policy, the Group Board will not grant waivers to this Code in the event of breach.

17. Sanctions

Any breach of this Code or the corporate charters by a Director would be reported to the Group Board for sanctions.

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