

**ANNUAL
REPORTS
& CONSOLIDATED
FINANCIAL
STATEMENTS
2022**

CONTENTS

Highlights		Statement of Changes in Equity	61
Vision Statement	2	Statement of Cash Flows	63
Corporate Information	3		
Corporate Profile	4	Notes to the Financial Statements	
Results at a Glance	5	General Information	67
Notice of Annual General Meeting	7	Application of IFRS Standards	68
Notes	8	Significant Accounting Policies	73
Chairman's Statement	11	Explanatory Notes	95
Board of Directors	15		
Directors' Profiles	17	Additional Information	
		Statement of Value Added	143
Reports to Shareholders		Five-Year Financial Summary	145
Directors' Report	21	Share Capital History	147
Corporate Governance Report	31	Staff Strength	148
IoDCCG Report	39	Shareholder Information	149
KPMG Report	42		
Sustainability Report	43	Policies	
Health, Safety & Environment Report	44	Code of Business Conduct and Ethics for Directors and Management	154
Risk Management Report	47		
		Circular	
Financial Information		Explanatory Circularar to the Shareholders Regarding the Special Resolution to Be Proposed at the Annual General Meeting	159
Statement of Directors' Responsibilities	51		
Certification of Financial Statements	52		
Report of the Statutory Audit Committee	53		
Report of the Independent Auditors	54		
Statement of Financial Position	57		
Statement of Profit or Loss and Other Comprehensive Income	59		

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 solution-driven mindset.
- We seek efficient methods to deliver on our clients' requisitions.
- We integrate our multiple resources, including specialised 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, OFR
- 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. Chidi Anya, Esq. Independent Non-Executive Director
Appointed wef July 1, 2022
- Amb. Adamu Saidu Daura, MFR, Independent Non-Executive Director
Appointed wef July 1, 2022
- Engr. Dr. Lars Richter (German), Managing Director (Executive)
- Alhaji Zubairu Ibrahim Bayi, Director Administration (Executive)
- Mr. Tobias Meletschus (German), Director Corporate Development (Executive)
- Mr. Christian Hausemann (German), Financial Director (Executive)

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
- Commerzbank AG, Germany
- Ecobank Nigeria Ltd.
- Fidelity Bank Plc
- First Bank of Nigeria Ltd.
- First City Monument Bank
- Globus Bank Ltd.
- Guaranty Trust Bank Ltd.
- Polaris Bank Ltd.
- Providus Bank Plc
- Stanbic IBTC Bank Plc
- Standard Chartered Bank Nigeria Ltd.
- Sterling Bank Plc
- 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 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.

The Company's subsidiaries are 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 services 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 windows and doors manufacturer, which strengthens the Group's ability to provide turnkey building solutions; PrimeTech Design and Engineering Nigeria Ltd., a provider of integrated design and

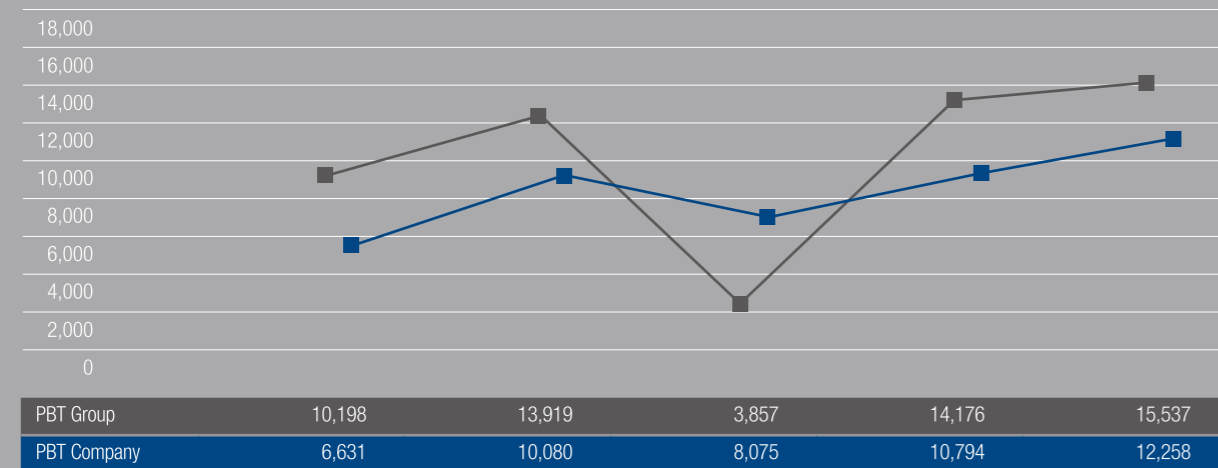
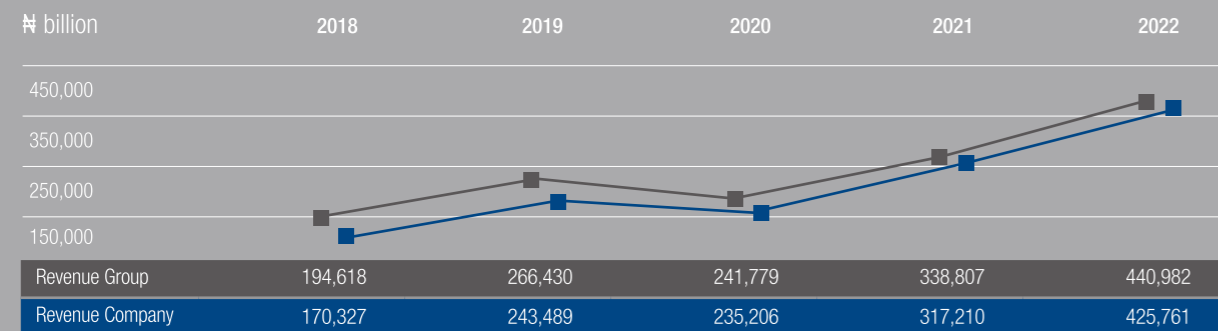


engineering resources in Nigeria and Julius Berger International GmbH, in Germany, a key provider of planning, design and engineering, in addition to logistical support for businesses in Nigeria.

The Group is guided by a value system that defines and differentiates it. Adherence to internationally specified standards and a focus on efficient and value-driven delivery of services further solidifies its competitive edge. With unwavering reliability, unmatched quality, leading governance and a true focus on sustainability, Julius Berger Nigeria Plc and its subsidiaries continue to set a benchmark for success.

RESULTS AT A GLANCE

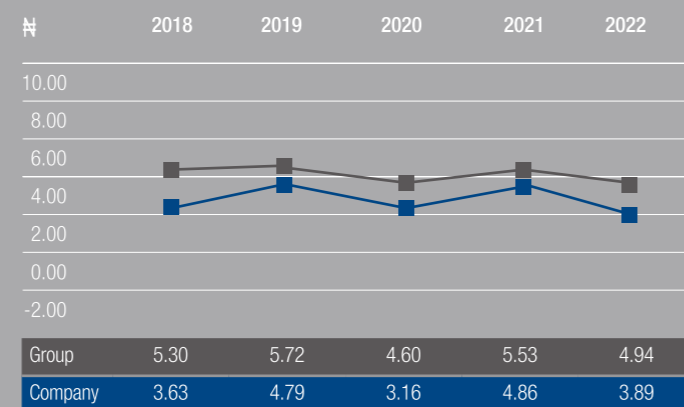
Revenue and Profit/(Loss) Before Tax



Dividend per Share



Earnings per Share



	Group 2022 ₦ 000	Group 2021 ₦ 000	Change %	Company 2022 ₦ 000	Company 2021 ₦ 000	Change %
Revenue	440,981,644	338,806,798	30.16	425,761,125	317,210,503	34.22
Profit before taxation	15,537,232	14,176,018	9.60	12,258,152	10,794,746	13.56
Profit for the year	7,914,031	8,344,310	(5.16)	6,347,834	7,283,767	(12.85)
Other comprehensive income	34,921	454,463	(92.32)	(116,250)	498,303	123.33
Total comprehensive income	7,948,952	8,798,773	(9.66)	6,231,584	7,782,070	(19.92)
Non-controlling interest	41,211	(53,356)	(177.24)	–	–	–
Profit attributable to equity holders of the parent	7,907,741	8,852,129	(10.67)	6,231,584	7,782,070	(19.92)
Retained earnings	39,887,260	35,937,856	10.99	30,918,982	28,687,398	7.78
Share capital	800,000	800,000	-	800,000	800,000	-
Shareholders' funds	57,061,727	53,112,774	7.44	32,144,422	29,912,838	7.46

Per share data

	Group 2022 ₦	Group 2021 ₦	Change %	Company 2022 ₦	Company 2021 ₦	Change %
Earnings per share						
– Basic	4.94	5.53	(10.67)	3.89	4.86	(19.92)
– Diluted	4.94	5.53	(10.67)	3.89	4.86	(19.92)
Net assets per share						
– Basic	35.66	33.20	7.44	20.09	18.70	7.46
– Diluted	35.66	33.20	7.44	20.09	18.70	7.46
Stock Exchange quotation at December 31	24.50	22.35	9.62	24.50	22.35	9.62
Number of employees	14,043	13,358	5.13	13,100	12,474	5.02

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting (AGM) of Julius Berger Nigeria Plc will be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, FCT Abuja, on Thursday, June 15, 2023, at 11:00 a.m., to transact the following business:

Ordinary business

1. To lay before the Company in General Meeting, the Consolidated Audited Financial Statements for the period ended December 31, 2022, as well as the Reports of the External Auditors, the Directors of Julius Berger Nigeria Plc (the 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 the Directors' fees payable to each Director, save Executive Directors, until further notice, be and is hereby fixed at the sum of ₦6.8 million (six million, eight hundred thousand Naira) for each Non-Executive Director save the Chairman,

whose fees shall be fixed at the sum of ₦11 million (eleven million Naira), such payments to be made effective from January 1, 2023.

- 7.2. That the terms of the intra-group loan agreement (the Agreement) between Julius Berger Nigeria Plc and Julius Berger International GmbH, a wholly-owned subsidiary of the Company and a related party within the meaning of S. 310 of CAMA and Rule 20.3 of the Rulebook of the Nigerian Exchange Limited (Issuers' Rules) the particulars of which are reproduced in the Annual Reports and Consolidated Financial Statements 2022, be and are hereby approved, and that the Directors be and are hereby authorised to enter into, execute, perform and implement the Agreement, and undertake such other acts as may be necessary or desirable, supplemental or incidental to, and or required to give full effect to this resolution and the Agreement.

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

May 10, 2023

NOTES

Electronic information

Relevant documents in connection with the Meeting 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, duly stamped at the office of the Commissioner for Stamp Duties 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.

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 Office 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 29, 2023, to May 31, 2023, both dates inclusive, for the purpose of dividend.

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.

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 2022, provided that such questions in writing are submitted no later than June 12, 2023. 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 16, 2023, to members whose names appear in the Register of Members, as at the close of business on May 26, 2023 (qualification date).

Unclaimed dividends

The Company notes that some dividend warrants sent to shareholders are yet to be presented for payment. We have established that some shareholders are yet to mandate their bank accounts for the payment of e-dividends and some shareholders have incomplete contact information. Therefore, all shareholders with “unclaimed dividends” should address their claim(s) to the Registrars, Greenwich Registrars & Data Solutions Ltd., 274 Murtala 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

The remuneration of managers is stated in Note 13, page 106 of the AR & CFS 2022. The Explanatory Circular on the Agreement referred to in Resolution 7.2 is stated on Page 159 in the AR & CFS 2022.



Julius Berger Nigeria Plc Literacy Campaign

CHAIRMAN'S STATEMENT



New awards

- Asokoro Hillside Multispecialty Hospital, Abuja
- NNPC Head Office - Roof and Facade Refurbishment, Phase II - IV, Abuja
- Nigerian Financial Intelligence Unit Headquarters, Abuja
- National Intelligence Agency Office Complex, Abuja
- Rehabilitation of Federal Secretariat Phase 1, Abuja
- Construction of Tank Junction Flyover Bridge, Port Harcourt
- Construction of Rumuokwuta/Rumuola Junction Flyover Bridge, Port Harcourt
- Construction of Mgbuoba, Ozuoba-Ada George Flyover Bridge, Port Harcourt
- State House Clinic, Presidential VIP Wing, Abuja
- Dualization of Azikiwe/Iloabuchi Roads, Port Harcourt

Highlighted Projects

Ongoing works

- Rehabilitation of Abuja-Kaduna-Zaria-Kano Road
- Second River Niger Bridge, Main Contract, Asaba/Onitsha
- Bodo-Bonny-Road, Rivers State
- Office of the National Security Adviser, New Headquarters, Abuja
- Nigerian Upstream Petroleum Regulatory Commission, New Headquarters, Abuja
- Lagos Shagamu Expressway
- Regency Hotel, Lagos
- International Worship Centre, Main Contract, Uyo

- NNPC Head Office - Roof and Facade Refurbishment, Phase I, Abuja
- Construction of Opebi-Mende Bridge, Lagos
- National Intelligence Agency Office Complex, Abuja
- Asokoro Hillside Multispecialty Hospital, Abuja
- Central Roads B6+B12, Abuja
- Etinan Road, Uyo
- Calabar Road, Uyo
- Flyovers No. 11 and 12, Port Harcourt
- Town Roads, Lagos

Completed works

- FAMFA Office Tower, Lagos
- Specialised Hospital, Port Harcourt
- State House Clinic, Presidential VIP Wing, Abuja
- Construction of Nine Flyover Bridges, Port Harcourt
- Refurbishment of Control Towers for Nigerian Ports Authority, Lagos
- Aba Temple Retrofit, Abia State
- Rehabilitation of Six Roads, Rivers State and Bayelsa State
- Ikot Ekpene Road, Uyo
- Isaac-Boro Road, Yenagoa

Valued shareholders, distinguished ladies and gentlemen,

On behalf of the Board of Directors, I present you Julius Berger Nigeria Plc's 2022 Annual Reports and Consolidated Financial Statements, reflecting the positive development of the Company and its subsidiaries within the reporting period.

Despite a challenging market environment, both domestically and internationally, the Company achieved an exceptional financial performance, counting 2022 as another successful year in which our Company realised a record turnover and satisfactory profit, while simultaneously taking forward steps towards the greater goals of the Group.

Underpinning these achievements are our steadfast staff, whose skill and fortitude continue to drive forward our operations and provide a strong foundation amid the turbulence of external volatility.

Within the reporting year, our construction sites, the beating heart of our operations, progressed works at a productive pace; most notably coming closer to completion on two major projects of national priority, the Lagos-Shagamu Expressway and the Second River Niger Bridge, which was readied for use during the yuletide period to alleviate pressures on holiday travellers. In 2022, we commissioned a remarkable number of transformational projects in Port Harcourt, including numerous roads and flyovers, as well as the Dr. Peter Odili Cancer and Cardiovascular Disease Diagnostic and Treatment Centre. In Lagos, we commissioned the FAMFA Office

Tower, showcasing our capacity for unparalleled building solutions, while making progress on infrastructure works for the Opebi Mende Bridge and growing market potentials of Julius Berger's Facilities Management services. In Abuja, we continue to progress a number of building works, including the Asokoro Hillside Multispecialty Hospital, which was awarded in 2022.

Across the Group, we also continued to develop progressively and assiduously toward key objectives. While surpassing targets for both turnover and profit, PrimeTech Design and Engineering Nigeria Limited expanded its head office building – as a means to extend its service offering and elevate the Group's delivery of domestic design and engineering solutions. In parallel, Julius Berger International GmbH also continued to bolster its international engineering capacities and technical edge, while growing its portfolio of international clients. Abumet Nigeria

Ltd. achieved profitability in line with planning, an impressive rebound after two very difficult years resulting from the devastating impacts of COVID-19 and the persistent challenges of the 2021 financial year. Julius Berger Services Nigeria Ltd. continued its upward trend in revenue, reversing the high losses of the previous reporting year, to achieve a profitable financial year in 2022. Julius Berger Medical Services Ltd. also continued to expand its revenue base, while providing consistent quality care to the Group's entire workforce and their families – a positive contribution with value beyond measure.

Our diversification aims have materialised highly anticipated results. For the first time and proudly, within this AR & CFS 2022, we are reporting on the diversification of the business. With the official inauguration of the Company's Cashew Processing Plant in Epe, registration of our cashew brand "Mighty Kashoo" and first

“The Board of Directors is pleased to recommend a dividend of ₦2.50 per 50 Kobo ordinary share, resulting in a total gross dividend payout of ₦4 billion.”

market activities realised, turnover results for the Company's cashew processing business are in line with forecasts. The cashew processing business is our first foray into the agricultural sector and holds much promise. Bulk trading activities are already in sway and a consumer launch is taking shape, with market entry planned for Nigeria within the first half of 2023 and expansion targeted for wider distribution into Europe soon after. This is a tremendous milestone towards achieving the significant and sustainable expansion of Julius Berger's impact and reach.

In line with our sustainability targets and our ever-growing focus on strengthening governance structures across our Group, we published our second Julius Berger Sustainability Report, which captures progress and achievements in the continued integration of environmental, social, and governance practices into our business frameworks and daily operations. As we continue to enhance and expand our business into the future, we remain committed to positively impacting people and the planet.

As a responsible corporate citizen, we maintained our commitment to corporate social responsibility (CSR) through contributions to initiatives and organisations supporting social and environmental causes, with a focus on education and health. As such, we became a founding trustee of the HIV Trust Fund of Nigeria, a powerful public-private partnership working to support the fight against HIV/AIDS. In line with our commitment to education and staff advancement, we continued our considerable contribution to the FOCI-JBN Skills Academy, launched our Plant and Equipment Academy and kicked-off our scholarship programme for female engineers. As and where needed, we provided emergency relief and supported

communities in the sphere of our construction activities with various social and infrastructural needs to help lift them along with the progression of our projects. In addition, we commissioned the Bonny Consulate Building, an outstanding CSR project to restore a cultural landmark on Bonny Island with the goal of preserving the history of the island while supporting its development.

With this same vigour, the maintenance of Julius Berger's Quality Management System and the continued strict implementation of Health, Safety and Environment policies and procedures remained central to our operational excellence. In the reporting year, key assurance and control activities continued to be implemented, with measures in place to continually identify improvement opportunities. As a testament to our continued commitments, the Company maintained its excellent HSE performance record with a Lost Time Injury Frequency Rate of 0.25, less than one Lost Time Injury for every four million man-hours worked. This is an excellent result given the complex and potentially high-risk projects that were undertaken in 2022. Our commitment to continuing to provide safe environments for our staff and communities is fundamental to Julius Berger Nigeria Plc's business principles and operational excellence.

In the reporting year, we have achieved far-reaching success, in the face of far-reaching challenges. While we have been triumphant overall, this certainly does not reduce the magnitude of the hardships experienced. The most evident signs of COVID-19 are no longer visible, with restrictions eased and daily life more or less back to normal, yet the pandemic's aftershocks continue to have a knock-on effect. These impacts have been magnified by the Russia-Ukraine conflict, which has created price volatility and negatively influenced logistics with

real consequences for our business - creating uncertainties, delays and losses, as well as diminishing opportunities for diversification in certain previously identified growth opportunities. Additionally, the disruption of supply chains and rise in logistics costs, paired with sky-rocketing diesel costs, resulted in shortages and delays in the delivery of raw materials, specifically with regard to the procurement of spare parts and other essential construction materials. Overall, this leads to higher costs, loss of efficiency and undesirable delays.

The Group's financial results continue to be heavily affected by rising inflation and persistent exchange rate pressure, as we continue to face hard-hitting and long-lasting foreign exchange shortages, leading to higher costs of sales and loss in profit. However, as a result of intensive cost reduction programmes implemented throughout the Group, we have achieved positive results across all operating entities - through greater efficiency, effective collaboration and innovation, while sustaining our commitment to excellence. Year after year, this remains quite commendable considering the challenges ongoing.

The Board of Directors is therefore pleased to recommend a dividend of ₦2.50 per 50 Kobo ordinary share, resulting in a total gross dividend payout of ₦4 billion.

Despite all the trials and tribulations we endure, Julius Berger Nigeria Plc and its subsidiaries continue to prove that our Group has the skills, resources and strategic framework to find success, no matter the challenge.

With our strategies and structures firmly in place, grounded in the stability and skill of our steadfast and talented workforce, we will continue to work with purpose to hone our competitive

advantages and maximise our efficiency. To deliver excellence. To grow from strength to strength. To successfully acquire strategic projects as additions to our impressive portfolio. To expand our Group and achieve our vision of limitless success as more than a construction company, but rather a conglomerate driving development across industries.

All the while we will work to maintain the trust of our stakeholders through collaboration, transparency and superior service, as we forge ahead, ever more inclusive, sustainable and responsible - to generate shared value for our shareholders, communities, and employees alike.

Esteemed shareholders, thank you for your confidence and support. I assure you that the Board of Directors, Management and entire staff are working in your best interest to advance the Group's strategic targets and ensure that Julius Berger Nigeria Plc continues to deliver reliably as a partner for progress.

Thank you.



Mr. Mutiu Sunmonu, CON
Chairman

FRC / 2014 / IODN / 00000006187

BOARD OF DIRECTORS

Amb. Adamu Saidu Daura, MFR

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

Mr. Tobias Meletschus
Director Corporate Development

Mr. George Marks
Vice Chairman

Mr. Christian Hausemann
Financial Director

Dr. Ernest N. Azudialu-Obiejesi, OFR

Mr. Chidi Anya, Esq.

Engr. Goni Musa Sheikh

Engr. Dr. Lars Richter
Managing Director

Mrs. Bella A. Disu, CAL

Mr. Mutiu Sunmonu, CON
Chairman

Mrs. Gladys O. Talabi

Alhaji Zubairu I. Bayi
Director Administration

Engr. Jafaru Damulak



DIRECTORS' PROFILES

Mr. Mutiu Sunmonu, CON, 67 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, Alpha Mead Group, Coronation Insurance Plc and Petralon Energy Ltd. | Director of Unilever Nigeria Plc

Mr. George Marks (German), 64 Vice Chairman

BBA, DSc (HC), MANAN, FLSP

- Appointed Vice Chairman with effect from December 6, 2018
 - Appointed Director with effect from January 1, 2013
- Fellowship of the Lagos Polytechnic | Member of the Association of National Accountants of Nigeria | Director of Centenary City Plc | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Engr. Dr. Lars Richter (German), 47 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
- Honorary Fellow of the Nigerian Institute of Quantity Surveyors | Member of the Council for the Regulation of Engineering in Nigeria (COREN)
- Director of PrimeTech Design and Engineering Nigeria Ltd. | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Mrs. Belinda Ajoke Disu, CAL, 36 Non-Executive Director

BA (International Relations), MSc (Leadership), MNIM, MIOD

- Appointed Director with effect from June 30, 2017
- Member of the Institute of Directors Nigeria 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 Centre | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR, 62 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. | Chairman of the Shareholder Advisory Council of Julius Berger International GmbH

Mrs. Gladys Olubusola Talabi, 66 Non-Executive Director

LLB, BL, LLM

- Appointed Director with effect from June 30, 2017
- Director of Julius Berger Investments Ltd. and Globacom Ltd. | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Mr. Christian Hausemann (German), 49 Financial Director

Industrial Business Manager (CCI)

- Appointed Director and Financial Director with effect from January 1, 2022
 - Joined the Company on September 1, 1994
- Member of the Association of National Accountants of Nigeria, the Institute of Directors Nigeria and the Association of Chief Financial Officers, Germany
- Chairman of the Board of Directors of Julius Berger Medical Services Ltd. | Director of Julius Berger FZE

Alhaji Zubairu Ibrahim Bayi, 64 Director Administration

BSc (Buildings), FNIQB, 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 Nigeria

Director of Julius Berger Services Nigeria Ltd.

Mr. Tobias Meletschus (German), 43 Director Corporate Development

Diplom Wirtschaftsjurist (Graduate Business Law), LLM (Com), MIOD

- Appointed Director and Director Corporate Development with effect from October 16, 2018
 - Joined the Company on August 9, 2012
- Member of the Institute of Directors Nigeria
- Director of Julius Berger Investments Ltd. and Abumet Nigeria Ltd.

Engr. Jafaru Damulak, 59 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. and Prisma Hi Tech Engineering Services Ltd | Board Member, Duport Midstream Company Ltd.

Engr. Goni Musa Sheikh, 66 Non-Executive Director

BSc (Minerals Engineering), MSc (Mineral Process 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
- Executive Vice Chairman of the Board of Oriental Energy Resources Ltd. | Director of Julius Berger Investments Ltd., Ezikel Refinery Ltd. and Nigserve

Energy Services Ltd. | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD, 72 Independent Non-Executive Director

BBA (Marketing), MBA, 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 Nigeria
- Chairman of the Boards of Agrited Nigeria Limited, Beloxi Industries Ltd. and Julius Berger Services Nigeria Ltd. | Director of Dangote Cement Plc, Travelex Business Solutions Ltd. (a Subsidiary of Travelex UK), Insurance Brokers of Nigeria Ltd., Coronation Capital Ltd. and Coronation Asset Management Ltd. | Member of the Shareholder Advisory Council of Julius Berger International GmbH

Amb. Adamu Saidu Daura, MFR, 61 Independent Non-Executive Director

Advanced Diploma in Public Administration

- Appointed Director and Independent Non-Executive Director with effect from July 1, 2022
- Chairman of the Board of Directors of Ripen Marine Contractors Ltd | Director of Julius Berger Services Nigeria Ltd., Daberam Ventures Ltd., Atlantic Consortium Ltd., Feren's Nig. Ltd. and Kaira Investments Ltd.

Mr. Chidi Anya, Esq., 55 Independent Non-Executive Director

LLB, BL, MILD

- Appointed Director and Independent Non-Executive Director with effect from July 1, 2022
- Fellow of the Institute of Management Consultants | Member of the Institute of Directors, the Nigerian Bar Association and the Nigerian Bar Association Section on Business Law
- Director of Abumet Nigeria Ltd.

Note: Information stated is as at the date of approval of the Consolidated Audited Financial Statements on March 30, 2023.



REPORTS TO SHAREHOLDERS

for the year ended December 31, 2022

Second River Niger Bridge, Asaba/Onitsha

DIRECTORS' REPORT

The Directors are pleased to present to the members of Julius Berger Nigeria Plc at the 53rd AGM, their report on the business of the Group for the year ended December 31, 2022.

1. Legal form

The Company was incorporated in Nigeria under the Companies Act 1968, now the Companies and Allied Matters Act 2020 (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 now the Nigerian Exchange Group (NGX) 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.

Group results	2022 ₦ 000	2021 ₦ 000
Revenue	440,981,644	338,806,798
Profit attributable to Group activities	7,948,952	8,798,773
Retained earnings	39,887,260	35,937,856

3. Results for the year

Comparative highlights of the operational results of the Group for the years ended December 31, 2022 and 2021, 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, 2022, which would affect the Consolidated Audited Financial Statements.

5. Dividends

5.1 Dividend

The Directors are pleased to recommend to the members at the 53rd Annual General Meeting, a final dividend for the year ended December 31, 2022, in the sum of ₦4 billion representing ₦2.50 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 Unclaimed dividends

The list of shareholders with unclaimed dividends have been compiled and can be accessed on 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 lists and have claimed their dividend(s) since December 31, 2022, 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 2022

The Directors who served on the Board of the Company for the year ended December 31, 2022, were as follows:

- Mr. Mutiu Sunmonu, CON
- Mr. George Marks (German)
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR
- Mrs. Belinda Ajoke Disu, CAL
- Mrs. Gladys Olubusola Talabi
- Engr. Goni Musa Sheikh
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD
- Mr. Chidi Anya, Esq.
- Amb. Adamu Saidu Daura, MFR
- Engr. Dr. Lars Richter (German)
- Alhaji Zubairu Ibrahim Bayi
- Mr. Tobias Meletschus (German)
- Mr. Christian Hausemann (German)

6.2 Changes to the Board

Mr. Chidi Anya, Esq. and Amb. Adamu Saidu Daura, MFR were appointed Director and Independent Non-Executive Director of the Company with effect from July 1, 2022.

6.2.1 Directors for election

Mr. Chidi Anya, Esq. and Amb. Adamu Saidu Daura, MFR were appointed Independent Non-Executive Directors with effect from July 1, 2022. In accordance with S. 274 (2) of CAMA, members would be requested to approve the appointments of Mr. Chidi Anya, Esq. and Amb. Adamu Saidu Daura, MFR.

6.2.2 Directors for re-election

Engr. Goni Musa Sheikh and Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD are the Directors retiring by rotation, in accordance with the provisions of S.285 of CAMA and the Articles of Association. Engr. Goni Musa Sheikh and Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD both being eligible, offer themselves for re-election.

The profiles of Directors for election and re-election are stated on pages 17 and 18, of the AR & CFS 2022.

6.3 Directors' interest

For the purposes of Ss. 301, 302 and 303 of CAMA and in compliance with the listing requirements of the NGX and the Issuers Rules:

- 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.

Number of Directors' direct and indirect holdings as at	March 30, 2023	December 31, 2022	December 31, 2021
Mr. Mutiu Sunmonu, CON	1,212,121	1,212,121	1,212,121
Mr. George Marks	–	–	–
Engr. Jafaru Damulak	2,401,028	2,401,028	2,401,028
Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR - Indirect*	206,215,268	206,215,268	206,215,268
Mrs. Belinda Ajoke Disu, CAL - Indirect**	405,893,428	405,893,428	405,893,428
Mrs. Gladys Olubusola Talabi	–	–	–
Engr. Goni Musa Sheikh - Direct	76,533	76,533	76,533
Engr. Goni Musa Sheikh - Indirect***	287,740,832	287,740,832	287,740,832
Mr. Ernest Ebi, MFR, FCIB, FIOD	–	–	–
Mr. Chidi Anya, Esq.	–	–	–
Amb. Adamu Saidu Daura, MFR	–	–	–
Alhaji Zubairu Ibrahim Bayi	564,385	564,385	564,385
Engr. Dr. Lars Richter	–	–	–
Mr. Tobias Meletschus	–	–	–
Mr. Christian Hausemann	–	–	–

* 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.

7. Share capital and shareholding

The share capital history of the Company is stated on page 147.

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

7.1 Issued and fully paid share capital

The issued and paid-up share capital of the Company currently is ₦800 million made up of 1.6 billion ordinary shares of 50 Kobo each.

Beneficial ownership	Number of ordinary shares held as at March 30, 2023	Percentage holdings as at March 30, 2023	Number of ordinary shares held as at December 31, 2022	Percentage holdings as at December 31, 2022	Percentage holdings as at December 31, 2021
Goldstone Estates Ltd.	317,893,428	19.87 %	317,893,428	19.87 %	19.87 %
Neptune Hill Company Ltd.	287,740,832	17.98 %	287,740,832	17.98 %	17.98 %
Watertown Energy Ltd.	160,000,000	10.00 %	160,000,000	10.00 %	10.00 %
Ibile Holdings Ltd.	88,000,000	5.50 %	88,000,000	5.50 %	5.50 %
Regency Assets Management Ltd.	80,000,000	5.00 %	80,000,000	5.00 %	–
Benue Investment and Property Company Ltd	–	–	–	–	5.09 %
Other shareholders including Governments	666,365,740	41.65 %	666,365,740	41.65 %	41.56 %
Total	1,600,000,000	100.00 %	1,600,000,000	100.00 %	100.00 %

7.2 Beneficial ownership

The issued and fully paid-up share capital of the Company, as at December 31, 2022, and March 30, 2023, when the Consolidated Audited 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, 2022, and March 30, 2023, when the Consolidated Audited Financial Statements were approved, is as stated on page 26.

Free float	Number of ordinary shares held as at March 30, 2023	Percentage holdings as at March 30, 2023	Number of ordinary shares held as at December 31, 2022	Percentage holdings as at December 31, 2022	Percentage holdings as at December 31, 2021
Strategic holding	1,132,636,328	70.79 %	1,132,636,328	70.79 %	65.78 %
Directors' direct shareholding	4,254,067	0.27 %	4,254,067	0.27 %	0.26 %
Free float	463,109,605	28.94 %	463,109,605	28.94 %	33.96 %
Total	1,600,000,000	100.00 %	1,600,000,000	100.00 %	100.00 %

7.4 Share range analysis

Share range as at December 31, 2022	Number of shareholders	Percentage of shareholders	Number of units held	Percentage shareholding
1 – 500	3,836	27.36 %	530,013	0.03 %
501 – 1000	1,251	8.92 %	902,907	0.06 %
1,001 – 5,000	3,942	28.12 %	10,256,309	0.64 %
5,001 – 10,000	1,717	12.25 %	12,182,507	0.76 %
10,001 – 25,000	1,725	12.30 %	26,407,512	1.65 %
25,001 – 100,000	1,145	8.17 %	55,897,065	3.49 %
100,001 – 500,000	309	2.20 %	58,832,670	3.68 %
500,001 – 1,000,000	41	0.29 %	26,868,258	1.68 %
1,000,001 – and above	53	0.38 %	1,408,122,759	88.01 %
Total	14,019	100.00 %	1,600,000,000	100.00 %

Corporate Social Responsibility	₦
Community Development and Inclusivity	98,358,351
Education & Human Capital Development	256,871,714
Emergency Response	9,850,000
Philanthropy and Social Welfare	142,118,999
Total	507,199,064

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 110 to 111. 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 2022, the Company undertook Corporate Social Responsibility (CSR) initiatives shown in the table on page 27 valued at ₦507 million (2021 - ₦546 million) and made donations amounting to ₦25 million (2021 - ₦29 million) as shown in the table on page 28.

In compliance with S. 43 (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	₦
Government Girls Arabic Secondary School At Yadakwari Community, Garun Mallam L.G.A., Kano	950,000
Government Junior Secondary School, Tariwa Community, Bebeji L.G.A., Kano	950,000
Government Secondary School Gujeni, Kagarko L.G.A, Kaduna	6,083,506
Lagos Grassroot Soccer Association	500,000
Nigerian Women in Information Technology	1,000,000
Chris Kolade Foundation	500,000
ReadManna Empowerment Initiative	1,500,000
Halal Children's Home, Federal Housing Lugbe, Abuja FCT	2,000,000
Jam'Iyyar Matan Arewa Orphanage, Kaduna	2,000,000
Nasarawa Children's Home, Nasarawa G.R.A., Kano	1,500,000
Little Saints Orphanage, Lagos	2,000,000
Mother of Divine Grace Orphanage, Asaba	2,000,000
Christian Compassion Community Children Home, Onitsha	2,000,000
Mother Charles Walker Children Home, Uyo	2,000,000
Total	24,983,506

12. Suppliers

The significant suppliers to the Company domestically and internationally are:

- Abumet Nigeria Limited
- African Foundries Limited
- Dangote Industries Limited
- De Last Don Oil & Gas Limited
- Dredging International Services Nigeria Limited
- Empire Energy Limited
- Julius Berger International GmbH
- Lafarge Africa Plc
- Lambert Electromec Limited
- Mantrac Nigeria Limited
- Ringardas Nigeria Limited
- Sensor Energy Limited
- TotalEnergies Marketing Nigeria Plc
- Virtuous Favour Services Nigeria Enterprises
- 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 Audited Financial Statements for the year ended December 31, 2022, 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, 2022, there were 13 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 Authority Act 2022.

In the Group, there is 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 16, 2022, in accordance with S. 404 of 2020 CAMA, were:

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

The committee met in accordance with the provisions of S. 404 of CAMA and will present its report.

16. Auditors

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

17. Compliance with regulatory requirements

The Directors confirm that they have reviewed the structures and activities of the Company in view of the 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 NGX 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 30, 2023



CORPORATE GOVERNANCE REPORT

The Board and Management of Julius Berger Nigeria Plc have put in place structures, procedures and systems to ensure 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, 2022, the Board comprised fourteen members, ten of whom were Non-Executive Directors, including the Chairman, Independent Non-Executive Directors, and four Executive Directors. Profiles of the Directors, in particular the Directors standing for election and re-election, are stated on pages 17 and 18 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 with 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 programmes to sharpen their knowledge and skills. The Directors are bound by the Code of Business Conducts and Ethics for Directors and Management on page 154, 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 compliance review.

The Board has sole authority for the following:

- Vision and mission
- Policies and planning approvals
- Stewardship and sustainability
- Monitoring

Director	Designation	Cumulative number of years on Board *	Jan. 15, 2022	Feb. 9, 2022	Mar. 30, 2022	Jun. 15, 2022	Sep. 28, 2022	Dec. 6, 2022	Executive Session Nov. 3, 2022	Executive Session Nov. 4, 2022
Mr. Mutiu Sunmonu, CON	Chairman	9 years	▪	▪	▪	▪	▪	▪	▪	▪
Mr. George Marks	Vice Chairman	25 years	▪	—	▪	▪	▪	▪	▪	▪
Engr. Jafaru Damulak	Director	16 years	▪	▪	▪	▪	▪	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR	Director	12 years	▪	▪	▪	▪	▪	▪	▪	▪
Mrs. Belinda Ajoke Disu, CAL	Director	6 years	▪	▪	▪	▪	▪	—	▪	▪
Mrs. Gladys Olubusola Talabi	Director	6 years	▪	▪	▪	▪	▪	▪	▪	▪
Engr. Dr. Lars Richter	Managing Director	5 years	▪	▪	▪	▪	▪	▪	▪	▪
Alhaji Zubairu Ibrahim Bayi	Director Administration	11 years	▪	▪	▪	▪	▪	▪	▪	▪
Mr. Christian Hausemann	Financial Director	1 year	▪	▪	▪	▪	▪	▪	▪	▪
Mr. Tobias Meletschus	Director Corporate Development	5 years	▪	▪	▪	▪	▪	▪	▪	▪
Engr. Goni Musa Sheikh	Director	3 years	▪	▪	▪	▪	▪	▪	▪	▪
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Independent Director	3 years	▪	▪	▪	▪	▪	▪	▪	▪
Mr. Chidi Anya, Esq.	Independent Director	<1 year	N/A	N/A	N/A	N/A	▪	▪	▪	▪
Amb. Adamu Saidu Daura, MFR	Independent Director	<1 year	N/A	N/A	N/A	N/A	▪	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

- Accountability
- Compliance review

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.

Strategy, Risk and Assets Management Committee	Designation	March 24, 2022	May 27, 2022	June 8, 2022	September 27, 2022	November 29, 2022
Engr. Goni Sheikh	Chairman	▪	▪	▪	▪	▪
Mr. George Marks	Member	▪	▪	▪	▪	▪
Engr. Dr. Lars Richter	Member	▪	▪	▪	▪	▪
Mrs. Gladys Olubusola Talabi	Member	▪	—	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪	▪
Mr. Christian Hausemann	Member	N/A	▪	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

Board Audit Committee	Designation	Jan. 14, 2022	Jan. 27, 2022	Feb. 17, 2022	Mar. 23, 2022	Apr. 28, 2022	Jul. 24, 2022	Oct. 27, 2022	Dec. 1, 2022	Committee Executive Session Dec. 29, 2022
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Chairman	▪	▪	▪	▪	▪	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪	▪	▪	▪	▪	▪
Mrs. Belinda Ajoke Disu, CAL	Member	▪	▪	▪	▪	▪	▪	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

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

The Board met formally six times in the financial year 2022. In addition, the Board held an Executive Session from November 3, 2022 to November 4, 2022. 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 ended December 31, 2022, the governance bodies performed creditably.

The Board was evaluated by the Institute of Directors Centre for Corporate Governance and their Report is as stated on pages 39 and 41. KPMG Advisory Services was engaged to conduct the governance evaluation prescribed by the NCCG 2018 for the year ended December 31, 2022. Their report is stated on page 42.

Remuneration Committee	Designation	March 22, 2022	May 17, 2022	June 7, 2022	November 30, 2022	December 13, 2022
Mr. George Marks	Chairman	▪	▪	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪	▪	▪
Mrs. Belinda Ajoke Disu, CAL	Member	▪	—	—	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR	Member	▪	▪	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

Nominations and Governance Committee	Designation	Feb. 2, 2022	Feb. 16, 2022	Mar. 2, 2022	Mar. 24, 2022	May 6, 2022	Jun. 8, 2022	Jun. 14, 2022	Sep. 27, 2022	Nov. 29, 2022
Mrs. Gladys Olubusola Talabi	Chairman	▪	▪	▪	▪	▪	▪	▪	▪	▪
Mr. George Marks	Member	▪	▪	▪	▪	▪	▪	▪	▪	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR	Member	▪	▪	▪	▪	▪	▪	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

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 in-depth focus on a particular area of the Board's responsibility and provides informed feedback and advice to the Board. The activities of each of the Board committees relate to the affairs

of the Group and are guided by the various objectives and 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 responsibility from time to time.

All the 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 establishes.

Statutory Audit Committee	Designation	March 23, 2022	July 27, 2022	December 1, 2022
Sir Sunday Nnamdi Nwosu - appointed Chairman of the Committee on July 27, 2022	Chairman/Member	▪	—	—
Chief Timothy Ayobami Adesiyani - appointed Chairman of the Committee until July 27, 2022	Chairman/Member	▪	▪	▪
Brig. Gen. Emmanuel Ebije Ikwue, GCON	Member	▪	▪	▪
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	Member	▪	▪	▪
Engr. Jafaru Damulak	Member	▪	▪	▪

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

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

2.1.1 Strategy, Risk and Assets Management Committee

This Committee is responsible for:

- Assisting the Board to fulfil its oversight responsibilities to all stakeholders with respect to:
 - strategy;
 - risks;
 - capital expenditure, acquisitions, and disposals;
 - Group's investment objectives, strategy, and execution;
 - business collaborations, mergers & acquisitions; and
 - IT data governance and framework.

The Strategy Risk and Assets Management Committee met formally five times in the financial year that ended December 31, 2022. 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 Integrity of the Financial Reporting Statements, annual, half-year and quarterly and the processes;
- Ensuring the effectiveness and independence of the Statutory Auditor's Function;
- Ensuring the adequacy of the whistleblowing policies, framework and procedures;
- The review and implementation of the Company's internal control and financial control systems and approved policies;
- The review and approval of the Company's CSR obligations;
- Consideration of related party transactions, fraud risks and legal matters that may have a material impact on, or require disclosure in, the financial statements;
- Financial Reporting Regulatory Compliance.

This Committee met formally eight times in the financial year ended December 31, 2022, and held the mandatory session with the Auditors. 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 five times in the financial year that ended December 31, 2022. 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 of the corporate governance framework, policies and structures as well as the strategic development and entrenchment of the Group;
- Top-level leadership and establishment issues particularly on selection, appraisal and corporate succession planning, matters relating to board(s) and top-level nominations and appointments, composition, performance evaluations and appraisals;

Attendance of Directors at AGM	June 16, 2022
Mr. Mutiu Sunmonu, CON	▪
Mr. George Marks	▪
Engr. Jafaru Damulak	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR	▪
Mrs. Belinda Ajoke Disu, CAL	▪
Mrs. Gladys Olubusola Talabi	▪
Engr. Dr. Lars Richter	▪
Alhaji Zubairu Ibrahim Bayi	▪
Mr. Christian Hausemann	▪
Mr. Tobias Meletschus	▪
Engr. Goni Musa Sheikh	▪
Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD	▪
Mr. Chidi Anya Esq.	N/A
Amb. Adamu Saidu Daura, MFR	N/A

Key: ▪ Present; — Absent with apologies; N/A Not Applicable

- 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 nine times in the financial year that ended December 31, 2022. The membership of the committee and the attendance by members at meetings are as stated on page 34.

2.2 Statutory Audit Committee

This Committee is a statutory creation established in strict compliance with S. 404 of CAMA 2020. The Committee's composition, membership and responsibilities are as determined by S. 404 of CAMA 2020.

Membership of the Committee is comprised of three shareholders and two Directors who were appointed for the financial year 2022 at the AGM held on June 16, 2022.

This Committee met three times in the financial year that ended on December 31, 2022. The membership of the Committee and the attendance by members in the financial year that ended December 31, 2022, 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 Company.

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

In the financial year 2022, consequent upon the restrictions placed by governments to curb the COVID-19 pandemic in Nigeria, the 52nd AGM was structured as a Meeting by proxies through the use of preselected proxies for shareholders.

The structure adopted for the 52nd AGM was based on the S. 254 of CAMA, 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 52nd 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 16, 2022. At the close of the Meeting, there were 21 (twenty-one) shareholders and 496 (four hundred and ninety-six) proxies holding in total 1,231,688,723 (one billion, two hundred and thirty-one million, six hundred and eighty-eight thousand and seven hundred and twenty-three) units of shares (77.29% of issued equity). Attendance by the Directors is as stated on page 36.

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 2022.

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 accessed and downloaded from the website of the Company at www.julius-berger.com.

The Board would encourage Shareholders to use the email jbn-shareholders@julius-berger.com to express their views of the Company, which would enable the Board to have clarity on the issues of importance to Shareholders.



IoD Centre for Corporate Governance



STATEMENT ON CORPORATE GOVERNANCE AT JULIUS BERGER NIGERIA PLC

Julius Berger Nigeria Plc has a stated commitment to high standards of Corporate Governance. The company has adopted the Nigerian Code of Corporate Governance 2018, (NCCG 2018) the SEC Corporate Governance Guideline 2020, the Companies and Allied Matters Act 2020 (CAMA 2020), as well as OECD and IFC-related guidelines and other global “best practice” on Corporate Governance and Boards’ Performance.

In carrying out the Board Evaluation, we assessed eight key focus areas and their subsets. These are Board Structure and Composition; Strategy and Planning; Board Functioning and Effectiveness; Monitoring, Measuring and Reporting Performance; Risk Management, Audit, and Compliance; Sustainability and Good Corporate Citizenship; Transparency and Disclosure; and Individual Directors Assessment, among others. These focus areas are all derived from the 28 principles relevant to Board Evaluation as contained in NCCG 2018 and were adjudged satisfactory in our ratings.

Structure and Responsibilities of the Board

The Board takes full responsibility for the Company’s and Management’s activities as well as its performance to create sustainable improvement and value for the shareholders and other stakeholders. The Board also exercised its oversight responsibilities over executive Management and continuously undertake an evaluation of its performance as required by the NCCG 2018. The Board Committees exist and work in accordance with their charters on tasks delegated by the Board. The Board has now established a Board Audit Committee as recommended in the previous year’s exercise. Key Board’s appointments are properly documented with the terms of engagement clearly spelled out. The Board may consider future appointments of additional female Directors.

Company Secretary

The company secretary ensures smooth administration of the company’s Board activities working with the Chairman, especially with regard to compliance on Corporate Governance and other financial and legal regulations, management of shareholder communication, and provision of strategic advice to the Board.

Meetings of the Board

The Board meets at least once every quarter in compliance with the NCCG 2018 and the practice has been consistent.

Board Committees

In discharging its oversight responsibilities, the Board makes use of various committees, standing, and ad-hoc. Each committee has an in-depth focus on a particular area of the Board’s responsibility and provides informed feedback and advice to the Board. The activities of each of the Board committees relate to the affairs of the Group and are guided by the various objectives and Charters of the committees. The Group operates with the following Board Committees with clearly defined terms of reference:

They are:

- ✓ Board Audit Committee
- ✓ Statutory Audit Committee
- ✓ Nomination and Governance Committee
- ✓ Strategy, Risk and Assets Management Committee
- ✓ Remuneration Committee

Strategy and Planning

This function is situated in the Strategy, Risk and Assets Management Committee while succession planning and policy is domiciled in the Nominations and Governance committee. The Nominations and Governance Committee is working on the succession and planning policy. This is to be concluded in the reporting period.

Governance Functioning & Effectiveness

The committees have their respective Charters containing relevant provisions such as the structure, terms of reference, authority and duties of the committees. This is consistent with the provisions of principle 11.1.3 of the NCCG 2018. We reviewed the Board Minutes and saw evidence of robust debates and discussions on issues. The Board meetings were held quarterly, and minutes were prepared and reviewed with actions and decisions taken. The company had meetings with near 100% attendance. Committee meetings were also held in line with the agenda and evidenced by minutes. We also noted there is now a Board Audit Committee in line with the recommendations of NCCG 2018 (Principle 11).

Risk Management, Audit & Compliance

The Board expressed its satisfaction with Executive Management’s performance and has now undertaken two Board Evaluation exercises for the years 2020 and 2021, which is commendable. In addition, the assessment of the leadership of the Chairman of the Board of the company was undertaken by other Board members.

Transparency and Disclosure

JBN has adequately addressed the Transparency and Disclosure requirements through appropriate policies and reputable external Auditor Reporting, Compliance, and Audit processes. The Annual General Meeting of the Group shareholders also provided evidence of this.

Transparency and Disclosure

JBN has adequately addressed the Transparency and Disclosure requirements through appropriate policies and reputable external Auditor Reporting, Compliance, and Audit processes. The Annual General Meeting of the Group shareholders also provided evidence of this.

The Shareholders

The Board of Directors is accountable to shareholders for its performance and ensures effective communication and information dissemination. Shareholders have the opportunity at General Meetings, duly convened, to review the activities of both the Group and the Directors and express their opinion thereon. The shareholders also carry out their

statutory responsibilities adequately while the Board monitors the shareholder communications strategy effectiveness and is comfortable with the company's approach towards the media.

Individual Directors Assessment

The Individual Directors' peer assessment indicated better overall performances for most of the directors within the period under review. The specific scores have been communicated to the Chairman for his action. We will liaise with the Chairman to ensure this exercise is satisfactorily concluded.

Conclusion

Based on our reviews, and observations it is our considered opinion that the Board of JBN has continued in its commitment to entrenching the tenets of good Corporate Governance practices in the company. We believe the company largely complied with the NCCG 2018 as well as other relevant statutes in this respect during the year under review. Areas requiring improvement have been communicated and noted for action by the Company.

Signed



Nerus Ekezie, MBA, MNIM, FIMD, FIMC, FIMS (UK)
Chief Executive Officer, IoDCCG



REPORT OF THE INDEPENDENT CONSULTANT TO THE BOARD OF DIRECTORS OF JULIUS BERGER NIGERIA PLC ON THEIR CORPORATE GOVERNANCE EVALUATION FOR THE YEAR ENDED 31 DECEMBER 2022

In compliance with the guidelines of Sections 14 and 15 of the Nigerian Code of Corporate Governance ("the NCCG"), Julius Berger Nigeria Plc ("JBN" or "the Company") engaged KPMG Advisory Services to carry out an Evaluation of its existing Corporate Governance Framework for the year ended 31 December 2022. The NCCG mandates the Board of Directors to carry out a formal and rigorous evaluation of its own performance, that of its committees, the Chairman and individual Directors as well as an annual corporate governance evaluation to ascertain the extent of application of the codes of corporate governance.

We have performed the procedures agreed with JBN in respect of its compliance with corporate governance requirements which includes the provisions of the NCCG. These procedures, which are limited in scope but sufficient for the Board's objectives in line with the Codes, are different in scope from an external audit. Consequently, no opinion is expressed by us on the activities reported upon.

Our approach to the evaluation of the Board's corporate governance practices involved a review of the Company's board papers and minutes, key corporate governance structures, policies and practices as well as the Company's compliance with applicable codes of corporate governance. This included the review of the corporate governance framework and representations obtained from interviews with the members of the Board and senior management.

On the basis of our review, the Company's corporate governance practices are largely in compliance with the key provisions of the NCCG. Specific recommendations for further improving the Company's governance practices are included in our detailed report to the Board. These include recommendations in the following key areas: expediting the approval of key governance policies, enhancements to performance evaluation of key officers and documentation of sustainability policy.



Tomi Adepoju

Partner, KPMG Advisory Services

FRC/2013/CAN/0000001185

31 March 2023

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 its 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 10 universal principles of the United Nations Global Compact. The sustainability approach of the Company further encompasses the economic, environmental, social and governance principles espoused by the NGX.

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 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

The Group provides lasting quality products and services that promote safety 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, maintenance and provision of technical and administrative services associated with project realisation.

The Quality Management system is certified to comply with ISO 9001:2015. 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 Nigeria Plc promotes the wellbeing of all employees. The Company's goal is to enhance the skills of staff via training programmes that contribute to capacity building and professional development, thereby reinforcing the specialised knowhow 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 the Company 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 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 programmes 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

Julius Berger Nigeria Plc is proud to report that in 2022 we achieved a Lost Time Injury Frequency Rate of 0.25, whilst this is slightly higher than the historic low rate of 0.19 achieved in 2020 and 2021, it nonetheless reflects that Julius Berger Nigeria Plc's work over four million man-hours per Lost Time Injury incident. The maintenance of our Lost Time Injury Rate at such a low level is a testament to the commitment of our management and employees to ensure that the effective management of our Health, Safety and Environmental processes continues to be a top priority within the company. This achievement underpins the effectiveness of our operations and is an indicator of world-class HSE performance.

The HSE management system of Julius Berger Nigeria Plc is based upon the simple tenet of proactively reducing risks across all worksites and facilities and ensuring that high standards of HSE are implemented and maintained for the benefit of our employees, customers, supporting communities and the wider environment.

As a Company, we realise that the achievement of such excellent HSE performance is dependent on continual investment in HSE training for staff at all levels within the organisation.

In 2022, 1,900 persons were trained on a wide range of HSE issues including safe tipping, hazard recognition, lifting and rigging, and supervising safety. Over 50 design and technical staff received training on 'Prevention in Design' which will assist



the company in the inclusion of preventative considerations in all designs for the benefit of our employees and clients. This training is supplemented by daily targeted HSE inputs and briefings to further educate and empower our employees with respect to HSE.

This commitment to an embedded safety culture continues to be fundamental to Julius Berger Nigeria Plc's business principles, thereby enabling us to continue to work in a manner that protects all who may be affected by our operations.

RISK MANAGEMENT REPORT



At Julius Berger, we are committed to identifying and managing our risks in a responsible and sustainable manner. Our risk management framework is designed to support strategic planning, identify emerging opportunities, and manage potential competitive threats. It establishes the principles and standards by which we will manage our risks across the group. This framework is designed to guide behaviour, while also establishing clear lines of accountability and responsibility.

Risk Management Process

The Board has ultimate responsibility for risk oversight, which is achieved through the Strategy, Risk and Asset Management Committee of the Board. This committee is responsible for implementing the approved risk management framework and reviewing the adequacy and effectiveness of risk management in the company. Continuous assessments are carried out at the strategic and functional levels to gain a full understanding of our business landscape, navigate risks, and monitor our performance.

Identification and Management of Risks

The identification, ranking, and remediation of risks are performed via discussions with executive management and senior management as facilitated by the Risk Management function. Our risk profile indicates the level of risk acceptance of our adopted strategy and provides clarity and priority for risk issues affecting our objectives at any point in time.

Risk Categories

Our risk portfolio is generally classified under four main categories:

1. Strategic Risk:

Strategic risk can arise from adverse business decisions, improper implementation of decisions, and lack of responsiveness to industry changes or positive decisions that could potentially enhance current and prospective impact on earnings or capital. At Julius Berger, we understand the

“At Julius Berger, we are committed to identifying and managing our risks in a responsible and sustainable manner. Our risk management framework is designed to support strategic planning, identify emerging opportunities, and manage potential competitive threats.”

importance of enterprise risk management in strategic planning and embedding it throughout the organization. Our robust implementation of COSO and ISO 31000 frameworks helps us be proactive in managing strategic risk across our businesses.

2. Operational Risk:

Operational risk may arise from loss from inadequate or failed internal processes, from people and systems, or from external events such as the security situation in parts of the country which may impact business operations. The group manages operational risk through a systematic, comprehensive, and multifaceted project-controlling framework.

We continue to leverage our effective safety and security procedures. We adhere to all national and local security advisories and protocols to ensure the safety of our employees and assets in all our work sites and locations. Additionally, throughout the life of the project, risks are continually reviewed and monitored, contracts are continuously subjected to commercial, technical, and legal review, not just for regulatory reasons but also to optimize value.

As cyber risk is a growing concern for businesses today, it is important to note that cyber risk forms a part of our broader operational risk framework. Cyber threats can arise from various sources such as external hacking attempts, internal errors or malicious acts, and even third-party service providers. The potential impacts of cyber incidents include data breaches, financial losses, reputational damage, and legal and regulatory non-compliance. Therefore, we have implemented measures to mitigate cyber risks, including regular vulnerability assessments, system penetration testing, and employee training on best practices for cybersecurity.

3. Financial and Reporting Risk:

The macro economy of Nigeria impacts directly our objectives as an organization. However, we continue to counterbalance the adverse effect of these factors by instituting thorough planning, monitoring, and utilization of portfolio diversification instruments. Julius Berger and its subsidiaries have been able to manage credit risk, liquidity, currency, and interest rate risk. Julius Berger ensures all financial reporting is done and approved before they fall due.

4. Compliance Risk:

We have a zero appetite for any risk event that could cause exposures to a breach of internal processes, legal penalties, regulatory infractions, or fines, and therefore ensure that all requirements for compliance are adhered to. The reputation of Julius Berger Nigeria Plc is one of our greatest assets, and any breach in compliance has the potential of damaging the reputation. As part of our business principles, we abide by all Nigerian laws and regulations, including industry-specific ordinances and codes of conduct. No regulatory sanction was received by the company in the year under review.

The Group manages this risk through a high organizational standard of practice, effective contract management, and our corporate governance policies and procedures such as the whistleblowing and complaint management systems. As a further demonstration of our ability to meet customer needs, adhere to regulatory requirements, and demonstrate continuous improvement, we are certified to and continue to maintain the ISO 9001:2015 certification on Quality Management System.

In conclusion, Julius Berger is committed to managing risks effectively and efficiently in order to achieve its strategic objectives and deliver value to its stakeholders.



International Worship Centre, Uyo

FINANCIAL INFORMATION

for the year ended December 31, 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY

By the provisions of S. 377 and S. 378 of CAMA, the Directors are responsible for the 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, 2022.

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 NGX.

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

March 30, 2023



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

CERTIFICATION OF FINANCIAL STATEMENTS

Pursuant to Sections 60 to 63 of the Investments and Securities Act, 2007, S. 7 (2) of the FRCN Act, 2011 and S. 405 of CAMA (the Laws), we have reviewed the Annual Reports and Consolidated Financial Statements of Julius Berger Nigeria Plc and its subsidiaries for the year ended December 31, 2022.

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.

Based on our knowledge, the Consolidated Financial Statements, and other financial information included therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary that would make the Consolidated Financial Statements misleading with respect to the period covered by the report and 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, establishing and maintaining the internal controls and procedures surrounding the financial reporting process and assessing these controls (as required by the Laws) 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 based on the COSO Framework, have been operating effectively in the period of intended reliance.

We have evaluated, in the period ninety days before the date of this certification and we have presented in this Annual Report our conclusions about the effectiveness of the internal controls based on our evaluation and made the requisite identifications and disclosures, required by the Laws, to the Group's Auditors and the audit committees.

Based on the foregoing, we, the undersigned, hereby certify that there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



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

March 30, 2023



Mr. Christian Hausemann
Financial Director
FRC / 2022 / PRO / DIR / 003 / 183832

REPORT OF THE STATUTORY AUDIT COMMITTEE

In compliance with S. 404 (1) 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 S. 404 (2) of CAMA, the Consolidated Audited Financial Statements of the Group for the year ended December 31, 2022, and the reports thereon, confirm as follows:

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

Members of the Statutory Audit Committee

- Sir Sunday Nnamdi Nwosu, KSS
- Chief Timothy Ayobami Adesiyani
- Brig. Gen. Emmanuel Ebije Ikwue, GCON
- Mr. Ernest Chukwudi Ebi, MFR, FCIB, FIOD
- Engr. Jafaru Damulak

Signed on behalf of the Committee by,



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

March 28, 2023



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REPORT OF THE INDEPENDENT AUDITORS 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 2022, 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 57 to 140.

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 2022 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
<p>Revenue is a significant measure of the performance of the group.</p> <p>The Group has adopted IFRS 15 - Revenue from Contract with Customers. There is a risk of wrong application of the standard.</p>	<ul style="list-style-type: none"> - 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.

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Contingent liabilities	
See notes 3.21, 33.1 and 37.2 to the consolidated financial statements.	
Key audit matter	How our audit addressed the matter
<p>Contingent liabilities relate to estimates including costs related to litigation and claims.</p> <p>The Company is exposed to a number of litigation and claims. In recognising the contingent liabilities, the Directors determine their best estimate of related expenses and liabilities based on their judgment of specific details of the individual litigation and claims. Since actual expenses will depend on the future outcome of the litigation and claims, the provision for contingent liabilities is subject to inherent uncertainty.</p>	<ul style="list-style-type: none"> - We received the list of outstanding litigation and claims and discussed the developments in the new and outstanding litigation and claims. - We considered management's assessment of the possible outcome of the litigation and claims for selected cases by discussing the matters with the legal team. - We corroborated the discussion held with management with confirmations from solicitors. - We recomputed the provisions for significant provisions.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements
 Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Companies and Allied Matters Act 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 statements.

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

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

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

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

Report on other legal and regulatory requirements

In compliance with the requirements of the 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.



Abel Onyeke, FCA - FRC/2012/ICAN/00000000119

for: Nexia Agbo Abel & Co
 Chartered Accountants
 Abuja, Nigeria

30 March 2023



STATEMENT OF FINANCIAL POSITION

These Consolidated Financial Statements on pages 57 to 140 were approved by the Board of Directors on March 30, 2023 and signed on its behalf by:



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



Mr. Christian Hausemann
Financial Director
FRC / 2022 / PRO / DIR / 003 / 183832

The accounting policies on pages 73 to 94 and Notes on pages 95 to 140 form part of these Financial Statements.

	Note	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Assets					
Non-current assets					
Property, plant and equipment	16	84,536,901	72,772,695	81,422,962	69,734,897
Right-of-use assets	18	12,937,278	13,430,113	2,129,076	2,305,788
Goodwill	19.1	11,140,440	11,150,502	–	–
Other intangible assets	19.2	1,697,117	1,885,685	–	–
Investment property	20	1,620,118	2,006,525	1,620,118	2,006,525
Investment in subsidiaries	21.1	–	–	16,916,771	16,916,771
Other financial assets	21.2	1,485,863	1,852,119	–	–
Trade and other receivables	24	83,377,446	60,031,624	83,377,446	60,031,624
Tax receivable	25	33,570,445	29,835,898	33,075,329	29,120,528
Deferred tax assets	14.3	8,319,640	6,730,603	6,772,761	5,213,061
Total non-current assets		238,685,248	199,695,764	225,314,464	185,329,194
Current assets					
Inventories	22	43,297,669	36,330,165	40,808,014	33,992,281
Trade and other receivables	24	104,755,602	162,700,642	104,889,825	164,343,342
Tax receivable	25	3,954,749	2,884,222	3,608,584	2,663,400
Contract asset	26	60,251,137	13,962,640	58,372,148	12,396,224
Other financial assets	21.2	518,726	540,761	–	–
Cash and cash equivalents		53,431,745	60,997,463	43,508,864	55,978,451
		266,209,629	277,415,893	251,187,435	269,373,698
Assets classified as held for sale	17	1,376,365	126,889	1,376,365	126,889
Total current assets		267,585,994	277,542,782	252,563,800	269,500,587
Total assets		506,271,242	477,238,546	477,878,264	454,829,781
Equity and liabilities					
Equity					
Share capital	27	800,000	800,000	800,000	800,000
Share premium	27	425,440	425,440	425,440	425,440
Foreign currency translation reserve		15,901,977	15,943,640	–	–
Retained earnings		39,887,260	35,937,856	30,918,982	28,687,398
Equity attributable to owners of the Company		57,014,677	53,106,935	32,144,422	29,912,838
Non-controlling interests	28	47,050	5,839	–	–
Total equity		57,061,727	53,112,774	32,144,422	29,912,838
Non-current liabilities					
Borrowings	29.2.1	1,101,132	3,279,636	1,101,132	3,279,636
Deferred tax liabilities	14.3	15,429,246	12,060,675	12,397,367	9,412,896
Contract liabilities	23	327,816,245	289,640,487	327,816,245	289,640,487
Retirement benefit liabilities	30.2	4,687,084	3,757,987	3,367,894	2,863,996
Trade and other payables	31	3,391,029	7,735,815	3,213,120	6,756,967
Lease liabilities	32	12,970,416	13,456,816	839,641	878,382
Provisions	33	3,244,019	1,227,997	1,970,245	300,000
Total non-current liabilities		368,639,171	331,159,413	350,705,644	313,132,364
Current liabilities					
Contract liabilities	23	1,802,667	689,078	–	–
Bank overdrafts	29.1	337,605	19,179,892	337,605	19,179,892
Borrowings	29.2.1	2,308,299	2,310,386	2,308,299	2,310,386
Retirement benefit liabilities	30.1	423,270	210,282	406,570	197,401
Trade and other payables	31	68,833,398	65,430,373	87,203,058	86,682,677
Lease liabilities	32	2,033,517	1,677,518	343,090	179,908
Current tax payable	14.2	4,831,590	3,468,829	4,429,576	3,234,315
Total current liabilities		80,570,345	92,966,358	95,028,198	111,784,578
Total liabilities		449,209,515	424,125,771	445,733,842	424,916,942
Total equity and liabilities		506,271,242	477,238,546	477,878,264	454,829,781

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Revenue	8	440,981,644	338,806,798	425,761,125	317,210,503
Cost of sales		(366,363,897)	(272,316,066)	(361,325,395)	(260,839,755)
Gross profit		74,617,747	66,490,732	64,435,730	56,370,748
Marketing expenses		(179,926)	(314,120)	(159,951)	(283,786)
Administrative expenses		(48,799,831)	(39,760,616)	(42,380,873)	(34,071,810)
Impairment loss on trade and tax receivables	24.6	(3,932,706)	(3,744,341)	(3,745,474)	(1,621,169)
Operating profit		21,705,285	22,671,655	18,149,432	20,393,982
Investment income	9	1,222,459	994,199	1,372,393	1,137,199
Other gains and losses	10	1,530,547	3,822,126	1,470,227	2,630,342
Finance cost	11	(4,294,728)	(4,230,804)	(4,107,569)	(4,285,619)
Foreign exchange acquisition loss		(4,626,331)	(9,081,158)	(4,626,331)	(9,081,158)
Profit before tax		15,537,232	14,176,018	12,258,152	10,794,746
Income tax expense	14.1	(7,623,200)	(5,831,708)	(5,910,318)	(3,510,979)
Profit for the year	12	7,914,031	8,344,310	6,347,834	7,283,767
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains/(losses) on retirement benefits		103,254	738,227	(172,222)	738,227
Related tax	14.1	(26,671)	(239,924)	55,972	(239,924)
		76,583	498,303	(116,250)	498,303
Items that may be reclassified subsequently to profit or loss					
Differences on translating foreign operations		(41,662)	(43,840)	–	–
Total comprehensive income		7,948,952	8,798,773	6,231,584	7,782,070
Attributable to					
Owners of the Company		7,907,741	8,852,129	6,231,584	7,782,070
Non-controlling interests		41,211	(53,356)	–	–
Total comprehensive income		7,948,952	8,798,773	6,231,584	7,782,070
Earnings per share					
Basic earnings per share	15	4.94	5.53	3.89	4.86
Diluted earnings per share	15	4.94	5.53	3.89	4.86

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, 2021	792,000	425,440	15,987,480	27,683,487	44,888,407	61,195	44,949,602
Profit for the year	–	–	–	8,397,666	8,397,666	(53,356)	8,344,310
Other comprehensive income (net of tax)	–	–	(43,840)	498,303	454,463	–	454,463
Scrip Issue	8,000	–	–	(8,000)	–	–	–
Dividends to shareholders	–	–	–	(633,600)	(633,600)	(2,000)	(635,600)
Balance at January 1, 2022	800,000	425,440	15,943,640	35,937,856	53,106,936	5,839	53,112,774
Profit for the year	–	–	–	7,872,820	7,872,820	41,211	7,914,031
Other comprehensive income (net of tax)	–	–	(41,662)	76,583	34,921	–	34,921
Total comprehensive income	–	–	(41,662)	7,949,403	7,907,741	41,211	7,948,952
Dividends to shareholders	–	–	–	(4,000,000)	(4,000,000)	–	(4,000,000)
Balance at December 31, 2022	800,000	425,440	15,901,977	39,887,260	57,014,677	47,050	57,061,727

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, 2021	792,000	425,440	–	21,546,928	22,764,368	–	22,764,368
Profit for the year	–	–	–	7,283,767	7,283,767	–	7,283,767
Other comprehensive income (net of tax)	–	–	–	498,303	498,303	–	498,303
Scrip Issue	8,000	–	–	(8,000)	–	–	–
Dividends to shareholders	–	–	–	(633,600)	(633,600)	–	(633,600)
Balance at January 1, 2022	800,000	425,440	–	28,687,398	29,912,838	–	29,912,838
Profit for the year	–	–	–	6,347,834	6,347,834	–	6,347,834
Other comprehensive income (net of tax)	–	–	–	(116,250)	(116,250)	–	(116,250)
Total comprehensive income	–	–	–	6,231,584	6,231,584	–	6,231,584
Dividends to shareholders	–	–	–	(4,000,000)	(4,000,000)	–	(4,000,000)
Balance at December 31, 2022	800,000	425,440	–	30,918,982	32,144,422	–	32,144,422

STATEMENT OF CASH FLOWS

	Note	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Cash flows from operating activities					
Cash receipts from customers		525,482,002	449,157,807	512,000,570	433,952,324
Cash paid to suppliers and employees		(477,824,384)	(371,561,851)	(469,717,551)	(348,869,756)
Cash provided by operating activities		47,657,618	77,595,956	42,283,019	85,082,568
Cash paid for taxes		(944,998)	(708,578)	(570,375)	(430,724)
Foreign exchange acquisition loss		(4,626,331)	(9,081,158)	(4,626,331)	(9,081,158)
Net cash generated by operating activities	34	42,086,289	67,806,220	37,086,313	75,570,686
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(23,029,598)	(34,735,987)	(22,653,869)	(34,619,680)
De-investment		531,214	–	–	–
Interest received	9	1,222,393	994,199	1,222,393	994,199
Dividend received		–	–	150,000	143,000
Proceeds from disposal of property, plant and equipment		1,020,662	1,307,885	981,611	1,303,032
Net cash used in investing activities		(20,255,328)	(32,433,903)	(20,299,865)	(32,179,449)
Cash flows from financing activities					
Term loan	29.2.1	(2,306,179)	(2,390,594)	(2,306,179)	(2,390,594)
Payment of lease liabilities	32	(1,591,920)	(2,558,396)	–	(940,550)
Interest paid	11	(2,656,294)	(3,600,206)	(4,107,569)	(3,579,786)
Dividends paid		(4,000,000)	(635,600)	(4,000,000)	(633,600)
Net cash used in financing activities		(10,554,393)	(9,184,796)	(10,413,749)	(7,544,530)
Net increase in cash and cash equivalents		11,276,568	26,187,521	6,372,699	35,846,707
Cash and cash equivalents at 1 January		41,817,572	15,630,050	36,798,560	951,852
Cash and cash equivalents at 31 December	34.1	53,094,140	41,817,571	43,171,259	36,798,559
Cash and cash equivalents consist of					
Cash and bank balances		53,431,745	60,997,463	43,508,864	55,978,451
Bank overdraft		(337,605)	(19,179,892)	(337,605)	(19,179,892)
	34.1	53,094,140	41,817,571	43,171,259	36,798,559



Cashew Processing Plant, Lagos

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

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 and its shares became listed on the Nigerian Stock Exchange now the Nigerian Exchange Group (NGX) on September 20, 1991. 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 of the AR & CFS 2022. The principal activities of the Company and its subsidiaries (the Group) are described on page 21.

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, 2022

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

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

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other components of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

This amendment does not have a material impact on the Consolidated Financial Statement of the Group.

* 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

2.1.2 Amendments to IFRS 3 – Reference to the Conceptual Framework*

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.

They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date, a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

2.1.3 Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract*

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

This amendment does not have any material impact on the Consolidated Financial Statements of the Group.

2.1.4 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 41.
- This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

This amendment does not have any material impact on the consolidated financial statements of the Group.

2.2 New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ended December 31, 2022.

The following revisions to accounting standards and pronouncements were issued but not effective at the reporting period (earlier application is permitted in some cases).

2.2.1 Definition of Accounting Estimates (Amendments to IAS 8)**

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- a change in accounting estimate that results from new information or new developments is not the correction of an error;
- the effects of a change in input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

2.2.2 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.

2.2.3 Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)^{**}

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

2.2.4 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.

2.2.5 IFRS 17 Insurance Contracts^{**}

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;
- and 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.

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.

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.

2.2.6 Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)^{**}

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities;
- and decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

SIGNIFICANT ACCOUNTING POLICIES

3. Significant Accounting Policies

3.1 Statement of compliance

The Consolidated 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 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 the current and future periods.

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' meetings.

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 of 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 cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

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

3.6.1 Goods and services

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.

Sale of goods: 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.

Rendering of services: 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

The Group provides services under long term construction contracts with customers where such contracts are entered into before construction begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the construction works to another customer and has an enforceable right to payment for work done. In accordance with IFRS 15, the Group recognises revenues when a performance obligation is satisfied and approved by the customer accordingly or whenever circumstances and situations objectively indicate that the respective invoice amount can be considered as approved. As long as revenue cannot be recognised appropriately, the group recognises a contract asset, see note 3.7.

3.7 Contract Assets

As long as revenue cannot be recognised appropriately, the group recognises an asset from the cost incurred in fulfilling a contract with a customer, once these costs directly relate to the fulfilment of the contract, enhance or generate resources that will be used to satisfy the performance obligation and are expected to be recovered by the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables once it is qualified as such in line with IFRS 15, see Note 3.6.2.

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	10.0	25
Plant and machinery	5.0	10
Office equipment	5.0	8

An item of property, plant and equipment 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10.1 Capitalisation

Expenditure related to an acquisition or repair is capitalised only if it extends the useful lives or increases the production capacity of the assets in question. The identification of such expenses is based on a certain criteria identified by management and/or threshold reviewed from time to time. The criteria as set in the preparation of these 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 is 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 payments 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; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.3 Intangible assets acquired in a business combination

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

3.14.4 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: 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 between the Nigerian Port Authority (NPA) and Julius Berger Service Limited, the amount to be received by the Company is 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 asset 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 property, plant and equipment and their corresponding tax written down values. Also, consideration is given for provision for retirement benefits 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 twelve years and actionable only when declared. Any amounts standing to the credit of unclaimed dividend are invested separately while amounts unclaimed after twelve 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 recognised financial assets are measured 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.

By default, all other financial assets are measured subsequently

3.20.1.3 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.

3.20.1.4 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.

3.20.1.5 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.

3.20.1.6 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.

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.

3.20.1.7 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 (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

3.21.1 Contingent liabilities

During the evaluation of whether certain liabilities represent contingent liabilities or provisions, management is required to exercise significant judgment. Based on the current status, facts and circumstances, management concluded that disputes with claimants (as disclosed in Note 33.1 and 37.2) should be classified as contingent liabilities with regards to the dispute amounts. On this basis, management assesses the risk amounts as described in Note 33.1.

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 earnings per share (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 four segments, Building, Civil, Services and Diversification. The four segments have separate management and reporting structures and are considered separately as reportable operating segments. Certain headquarter activities are reported as "Corporate." These consist of corporate headquarters, including the Corporate Executive Committee, corporate communications, 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 on an arm's length basis. Operating assets and liabilities consist of property, plant, and equipment, 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 or received acknowledgement of the services provided.

4.1.3 Allowance for doubtful debts/receivables

As explained in note 3.20.1.6, Expected Credit Losses (ECL) are measured as an allowance equal to a 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

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 value. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale. Management has written down inventories that are obsolete to a nil value after considering the non-movements and non-usability of these inventory items for two (2) years. Write-back of previous allowances on inventory is 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 (the Company) 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.

4.2.3 Calculation of loss allowance

When measuring the expected credit loss (ECL) the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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 Revision of capitalisation threshold

Effective 1 January 2023, the estimated capitalisation threshold for items of property plant and equipment used will be revised. There was no effect of this change in the current financial year. The following represents the new capitalisation threshold for items of property plant and equipment:

5.1.1 Items to capitalise

- Any purchase of a piece of equipment (i.e. office furniture, machinery, equipment, etc.) of not less than ₦5 million
- Expenditures in the nature of repairs of not less than ₦5 million
- Computer and related equipment of not less than ₦5 million
- Expenditure on building of not less than ₦5 million

5.1.2 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 ₦5 million
- Expenditures in the nature of repairs can be expensed if less than ₦5 million
- Computers and related equipment that is less than ₦5 million

5.2 Measurement of right-of-use assets

With effect from January 1, 2023, leases of low-value assets will comprise of leases that are less than ₦5 million. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The associated right-of-use assets for property leases which were measured prior to January 1, 2023, will continue to exist. This change has no any impact on the current financial statement.

6. Revenue

6.1 Disaggregated revenue information

Group	Government 31/12/2022 ₦ 000	Government 31/12/2021 ₦ 000	Private 31/12/2022 ₦ 000	Private 31/12/2021 ₦ 000	Total reportable segments 31/12/2022 ₦ 000	Total reportable segments 31/12/2021 ₦ 000
Primary geographical markets						
Nigeria	364,684,338	271,112,860	69,621,271	62,360,929	434,305,610	333,473,789
Europe	–	–	6,676,034	5,333,008	6,676,034	5,333,008
	364,684,338	271,112,860	76,297,305	67,693,937	440,981,644	338,806,797
Major product/services lines						
Civil works	266,701,868	203,617,015	30,340,558	19,576,900	297,042,425	223,193,915
Building works	86,133,381	54,931,390	19,753,262	20,654,962	105,886,643	75,586,352
Services	11,849,090	12,564,455	25,949,224	27,462,075	37,798,314	40,026,530
Diversification	–	–	254,262	–	254,262	–
	364,684,338	271,112,860	76,297,305	67,693,937	440,981,644	338,806,797
Timing of revenue recognition						
At a point in time	11,849,090	12,564,455	26,203,486	27,462,075	38,052,575	40,026,530
Overtime	352,835,249	258,548,405	50,093,820	40,231,862	402,929,068	298,780,267
	364,684,338	271,112,860	76,297,305	67,693,937	440,981,644	338,806,797

Company	Government 31/12/2022 ₦ 000	Government 31/12/2021 ₦ 000	Private 31/12/2022 ₦ 000	Private 31/12/2021 ₦ 000	Total reportable segments 31/12/2022 ₦ 000	Total reportable segments 31/12/2021 ₦ 000
Primary geographical markets						
Nigeria	364,684,338	271,112,860	61,076,787	46,097,643	425,761,125	317,210,503
Europe	–	–	–	–	–	–
	364,684,338	271,112,860	61,076,787	46,097,643	425,761,125	317,210,503
Major product/services lines						
Civil works	266,701,868	203,617,015	30,340,558	19,566,557	297,042,425	223,183,572
Building works	86,133,381	54,931,390	18,147,605	19,280,068	104,280,986	74,211,458
Services	11,849,090	12,564,455	12,334,363	7,251,018	24,183,453	19,815,473
Diversification	–	–	254,262	–	254,262	–
	364,684,338	271,112,860	61,076,787	46,097,643	425,761,125	317,210,503
Timing of revenue recognition						
At a point in time	11,849,090	12,564,455	12,588,624	7,251,018	24,437,714	19,815,473
Overtime	352,835,249	258,548,405	48,488,162	38,846,625	401,323,411	297,395,030
	364,684,338	271,112,860	61,076,787	46,097,643	425,761,125	317,210,503

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 2023 ₦000	Group 2024 ₦000	Group Total ₦000	Company 2023 ₦000	Company 2024 ₦000	Company Total ₦000
Civil works	192,000,000	229,000,000	421,000,000	192,000,000	229,000,000	421,000,000
Building works	82,000,000	82,000,000	164,000,000	80,000,000	80,000,000	160,000,000
Services	34,000,000	36,000,000	70,000,000	22,000,000	22,000,000	44,000,000
Diversification	70,000	–	70,000	70,000	–	70,000
Total	308,070,000	347,000,000	655,070,000	294,070,000	331,000,000	625,070,000

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

The Group applies the practical expedient in paragraph 121(b) of IFRS 15 and recognizes revenue in the amount to which the Group has the right to invoice.

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 either satisfied over-time or in time of providing services. Payment is due upon progress report and acceptance of the customer or when contractual services are fully provided. In some contracts, short-term advances are required before these services are provided.

Diversification

The performance obligation here is satisfied upon contractual agreed delivery of products to the customer.

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 Earnings Before Interest and Tax (EBIT). 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 core business segments which offer civil works, building works and services to third parties across Nigeria and abroad. The fourth business segment reported as diversification comprises opportunities developed by the Company that are operationally new and contribute to the Group's results. Principal activities in the latter are described in Note 7.1. 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 infrastructures. 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, 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

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

Facility management solutions, 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 and Business Units which are offered to Company and external clients:

- Stevedoring and port operation services of Julius Berger Services Nigeria Limited, Warri
- Design and engineering services of Primetech Design and Engineering Nigeria Limited
- Medical services of Julius Berger Medical Services Limited
- Design, Engineering and Procurement Services by Julius Berger International GmbH
- Activities of Julius Berger Investment Limited to ensure further diversification of the Group
- The business unit Furniture Production which supplies high-quality furniture and interior fittings

Diversification

The segment comprises the business unit Cashew Processing in Epe, Lagos. This includes the purchase, processing of raw cashew nuts and the sale of cashew kernels and other cashew products.

7.2 Segment revenue

	Group 31/12/2022 ₦000	Group 31/12/2021 ₦000	Company 31/12/2022 ₦000	Company 31/12/2021 ₦000
Class of business				
Civil works	297,042,425	223,193,915	297,042,425	223,183,572
Building works	105,886,643	75,586,352	104,280,986	74,211,458
Services	37,798,314	40,026,530	24,183,453	19,815,473
Diversification	254,262	–	254,262	–
Total revenue	440,981,644	338,806,797	425,761,125	317,210,503

7.3 Segment profit/(loss) and results

	Group 31/12/2022 ₦000	Group 31/12/2021 ₦000	Company 31/12/2022 ₦000	Company 31/12/2021 ₦000
Class of business				
Civil works	15,324,544	16,528,104	12,927,962	14,867,634
Building works	5,462,737	4,255,345	4,608,428	3,827,839
Services	1,950,030	1,888,204	1,645,068	1,698,509
Diversification	(1,032,027)	–	(1,032,027)	–
Total profit of segments	21,705,284	22,671,654	18,149,431	20,393,981
Corporate costs	(3,095,784)	(5,259,032)	(3,156,104)	(6,450,816)
EBIT	18,609,501	17,412,623	14,993,327	13,943,165
Finance costs	(4,294,728)	(4,230,804)	(4,107,569)	(4,285,619)
Adjusted profit/(loss) before tax	14,314,772	13,181,819	10,885,759	9,657,547
Other items	1,222,459	994,199	1,372,393	1,137,199
Profit before income tax	15,537,232	14,176,018	12,258,152	10,794,746

Notes:

7.3.1 Corporate costs comprise the costs of operating head office functions and certain overheads.

7.3.2 EBIT is earnings before interest and taxes.

7.3.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and Directors' salaries, investment income, other gains and losses as well as finance costs. This is the measure reported to the Management for the purposes of resource allocation and assessment of segment performance.

7.4 Information about major customers

Included in the revenue reported by the Group are two clients whose individual balances of ₦178.9 billion and ₦75.9 billion (2021: ₦137.9 billion and ₦57.1 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 2022.

7.5 Segment assets and liabilities

Group	Segment assets 31/12/2022 ₦ 000	Segment liabilities 31/12/2022 ₦ 000	Segment net assets / liabilities 31/12/2022 ₦ 000	Segment assets 31/12/2021 ₦ 000	Segment liabilities 31/12/2021 ₦ 000	Segment net assets / liabilities 31/12/2021 ₦ 000
Class of business						
Civil works	134,889,447	(170,145,491)	(35,256,044)	125,473,647	(155,555,685)	(30,082,038)
Building works	81,340,205	(105,119,934)	(23,779,730)	75,662,347	(96,106,005)	(20,443,658)
Services	211,887,666	(144,991,277)	66,896,389	197,097,095	(132,558,419)	64,538,676
Diversification	3,885,733	–	3,885,733	–	–	–
	432,003,051	(420,256,702)	11,746,349	398,233,089	(384,220,109)	14,012,980
Net cash	53,431,745	(337,605)	53,094,140	60,997,463	(19,179,892)	41,817,571
Unallocated assets / (liabilities)	20,836,445	(28,615,208)	(7,778,763)	18,007,994	(20,725,770)	(2,717,776)
	506,271,242	(449,209,515)	57,061,727	477,238,546	(424,125,771)	53,112,775

Company	Segment assets 31/12/2022 ₦ 000	Segment liabilities 31/12/2022 ₦ 000	Segment net assets / liabilities 31/12/2022 ₦ 000	Segment assets 31/12/2021 ₦ 000	Segment liabilities 31/12/2021 ₦ 000	Segment net assets / liabilities 31/12/2021 ₦ 000
Class of business						
Civil works	127,838,467	(167,545,100)	(39,706,633)	118,749,797	(154,430,687)	(35,680,891)
Building works	72,242,988	(97,575,306)	(25,332,317)	67,106,876	(89,937,703)	(22,830,827)
Services	205,336,313	(157,704,179)	47,632,135	190,737,937	(145,360,053)	45,377,884
Diversification	3,885,733	–	3,885,733	–	–	–
	409,303,502	(422,824,585)	(13,521,082)	376,594,610	(389,728,443)	(13,133,834)
Net cash	43,508,864	(337,605)	43,171,259	55,978,451	(19,179,892)	36,798,559
Unallocated assets / (liabilities)	25,065,898	(22,571,652)	2,494,245	22,256,721	(16,008,608)	6,248,113
	477,878,264	(445,733,842)	32,144,422	454,829,782	(424,916,943)	29,912,838

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

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

For the purposes of monitoring segment performance and allocating resources between segments, the management monitors the tangible and financial assets & 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 benefits. Assets used jointly by reportable segments are allocated on a rational basis after considering the revenues earned by individual reportable segments.

8. Revenue

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Construction contracts	402,929,068	298,780,268	401,323,411	297,395,030
Rendering of services	37,798,314	40,026,530	24,183,453	19,815,473
Sale of cashew products	254,262	–	254,262	–
	440,981,644	338,806,798	425,761,125	317,210,503

9. Investment income

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Investment income consists of interest income from				
Interest income	1,222,459	994,199	1,222,393	994,199
Dividend received	–	–	150,000	143,000
	1,222,459	994,199	1,372,393	1,137,199

10. Other gains and losses

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Profit from sale of PPE	896,547	1,113,495	890,463	1,114,589
Net foreign exchange (losses)	(431,993)	(2,561,278)	(432,355)	(3,364,916)
Sundry income	1,065,993	5,269,909	1,012,119	4,880,669
	1,530,547	3,822,126	1,470,227	2,630,342

11. Finance costs

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Interest on overdraft	2,355,827	2,303,230	2,355,827	2,303,230
Interest on loan	685,845	1,231,029	685,845	1,231,029
Other finance charges	1,253,056	696,545	1,065,897	751,360
	4,294,728	4,230,804	4,107,569	4,285,619

12. Profit for the year

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Profit for the year has been arrived at after charging/(crediting)				
Net foreign exchange losses	431,993	2,561,278	432,355	3,364,916
Depreciation of PPE	9,724,516	7,808,740	9,458,165	7,501,631
Net impairment of financial assets	2,443,076	1,086,270	2,389,902	1,260,409
Net amortisation of right-of-use assets	1,587,159	2,036,616	548,058	1,199,835
Depreciation of investment property	100,267	98,854	100,267	98,854
Net impairment on PPE	(23,971)	(556,052)	(23,972)	(556,052)
Audit remuneration (see Note 12.1)	144,088	110,186	68,500	62,535
Staff costs (see Note 13)	85,060,467	79,606,815	69,277,649	64,039,520
Gain on disposal of PPE	(896,547)	(1,113,495)	(890,463)	(1,114,589)

12.1 Auditors' remuneration

The total remuneration of the Group's auditor and other professional firms for services provided to the group is analysed below:

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Audit fees				
Audit fees	144,088	107,186	68,500	59,535
Other audit related fees	–	3,000	–	3,000
Audit and audit-related fees	144,088	110,186	68,500	62,535
Other fees				
Taxation	13,675	13,770	4,500	4,500
Others	4,000	1,350	4,000	250
Total fees	161,763	125,306	77,000	67,285

13. Staff costs and employee numbers

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Wages and salaries including social security cost	80,067,540	76,204,602	65,525,164	61,017,655
Defined benefit plans	1,710,049	739,581	660,820	513,382
Defined contribution (pension schemes)	3,282,878	2,662,632	3,091,665	2,508,483
	85,060,467	79,606,815	69,277,649	64,039,520

	Group 31/12/2022 Number	Group 31/12/2021 Number	Company 31/12/2022 Number	Company 31/12/2021 Number
Average number of employees excluding Key Management Personnel are:				
Senior management	63	54	37	31
Senior staff	1,009	818	705	545
Junior staff	12,972	12,482	12,358	11,898
	14,043	13,354	13,100	12,474

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Staff costs excluding Key Management Personnel analysed as follows:				
Senior management	3,996,374	3,685,715	3,050,697	2,769,124
Senior staff	23,329,889	21,516,334	14,780,687	13,416,462
Junior staff	57,734,204	53,246,221	51,446,264	46,697,888
	85,060,467	78,448,270	69,277,649	62,883,475

	Group 31/12/2022 Number	Group 31/12/2021 Number	Company 31/12/2022 Number	Company 31/12/2021 Number
The average number of employees employed was as follows:				
Civil works	6,311	5,273	6,311	5,273
Building works	3,937	2,467	3,611	2,160
Services	3,765	5,614	3,148	5,041
Diversification	29	–	29	–
	14,043	13,354	13,100	12,474

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

	Group 31/12/2022 Number	Group 31/12/2021 Number	Company 31/12/2022 Number	Company 31/12/2021 Number
Up to - ₦500,000.00	1,049	1,625	1,042	1,619
₦500,001.00 - ₦1,000,000.00	3,168	2,189	3,128	2,161
₦1,000,001.00 - ₦2,000,000.00	4,669	4,583	4,507	4,256
₦2,000,001.00 - ₦3,000,000.00	1,835	1,855	1,656	1,701
Above ₦3,000,000.00	3,322	3,102	2,767	2,737
	14,043	13,354	13,100	12,474

14. Taxation

14.1 Income tax recognised in profit or loss

	Group 31/12/2022 ₦000	Group 31/12/2021 ₦000	Company 31/12/2022 ₦000	Company 31/12/2021 ₦000
Current tax				
Current tax expense in respect of the current year	4,934,328	3,835,502	3,608,584	2,663,400
Education tax 2.5 % of assessable profit	875,408	590,390	820,379	570,375
Capital gain tax	752	–	–	–
Police trust fund levy in the current year	665	543	613	540
Adjustments in relation to the current tax of prior years	59,184	400,063	–	–
Deferred tax				
Deferred tax charged in the current year	1,779,534	1,245,134	1,424,770	516,588
Total income tax expense recognised in the current year	7,649,871	6,071,632	5,854,346	3,750,903
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax from operations	15,537,232	14,176,018	12,258,152	10,794,746
Expected income tax expense calculated at 30 % (2021: 30 %)	4,747,866	4,252,805	3,676,833	3,238,424
Education tax expense calculated at 2.5 % (2021: 2.5 %) of assessable profit	875,408	590,390	820,379	570,375
Police trust fund levy in the current year	665	416	613	404
Effect of expenses that are not deductible in determining taxable profit	374,179	(17,113)	(68,249)	(574,888)
Deferred tax expense recognised in the current year	1,651,753	1,245,134	1,424,770	516,588
Income tax expense recognised in profit or loss	7,649,871	6,071,632	5,854,346	3,750,903
Relating to profit or loss	7,623,200	5,831,708	5,910,318	3,510,979
Relating to other comprehensive income	26,671	239,924	(55,972)	239,924
	7,649,871	6,071,632	5,854,346	3,750,903

The tax rate used for the 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 31/12/2022 ₦000	Group 31/12/2021 ₦000	Company 31/12/2022 ₦000	Company 31/12/2021 ₦000
Income tax payable				
Expense	4,934,328	3,835,502	3,608,584	2,663,400
Provisional payment	(979,578)	(957,618)	–	–
	3,954,749	2,877,884	3,608,584	2,663,400
Education tax payable	875,408	590,390	820,379	570,375
Police trust fund levy in the current year	680	555	613	540
	4,831,590	3,468,829	4,429,576	3,234,315

14.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 31/12/2022 ₦000	Group 31/12/2021 ₦000	Company 31/12/2022 ₦000	Company 31/12/2021 ₦000
Deferred tax assets	8,319,640	6,730,603	6,772,761	5,213,061
Deferred tax liabilities	(15,429,246)	(12,060,675)	(12,397,367)	(9,412,896)
Deferred tax liabilities (net)	(7,109,606)	(5,330,072)	(5,624,605)	(4,199,835)
The gross movement in deferred taxation during the year				
Balance at beginning of year	5,330,072	4,084,938	4,199,835	3,683,247
Profit or loss charge	1,835,506	1,005,210	1,480,742	276,664
Tax charge relating to components of other comprehensive income	(55,972)	239,924	(55,972)	239,924
Balance at end of year	7,109,606	5,330,072	5,624,605	4,199,835

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, 2022	9,970,385	(77,456)	2,167,746	12,060,675
Charged to profit or loss	3,094,070	54,841	219,660	3,368,571
Balance at December 31, 2022	13,064,455	(22,615)	2,387,406	15,429,246

Group	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2022	(266,342)	(5,031,860)	(1,432,401)	(6,730,603)
Charged to profit or loss	(180,855)	(1,238,183)	(114,027)	(1,533,065)
Charged to other comprehensive income	(55,972)	–	–	(55,972)
Balance at December 31, 2022	(503,169)	(6,270,043)	(1,546,428)	(8,319,640)

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, 2022	9,775,465	(361,173)	(1,396)	9,412,896
Charged to profit or loss	2,931,810	52,661	–	2,984,471
Balance at December 31, 2022	12,707,275	(308,512)	(1,396)	12,397,367
Company	Retirement benefit obligation ₦ 000	Impairment and tax losses ₦ 000	Provisions and others ₦ 000	Total ₦ 000
Deferred tax assets				
Balance at January 1, 2022	(18,570)	(5,034,896)	(159,595)	(5,213,061)
Charged to profit or loss	(107,795)	(1,217,279)	(178,655)	(1,503,728)
Charged to other comprehensive income	(55,972)	–	–	(55,972)
Balance at December 31, 2022	(182,337)	(6,252,175)	(338,249)	(6,772,761)

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/(Loss) per share	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Earnings				
Earnings for the purpose of basic earnings and diluted earnings per share being net profit attributable to equity holders of the Company	7,907,741	8,852,129	6,231,584	7,782,070
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,600,000	1,600,000	1,600,000	1,600,000
Effect of dilutive potential ordinary shares				
Bonus share	–	–	–	–
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	4.94	5.53	3.89	4.86
Earnings per 50 K share (₦) – diluted	4.94	5.53	3.89	4.86

16. Property, Plant and Equipment

Group PPE	Land ₦ 000	Buildings ₦ 000	Plant and machinery ₦ 000	Office equipment ₦ 000	Total ₦ 000
Cost					
As at January 1, 2021	6,669,946	11,965,459	121,243,471	2,195,808	142,074,684
Additions	79,427	454,032	34,139,789	19,832	34,693,080
Disposal	–	–	(19,761)	(16,052)	(35,813)
Reclassifications as held for sale	–	–	(2,405,107)	(100)	(2,405,207)
Adjustment and exchange difference	–	–	(26,704)	–	(26,704)
As at January 1, 2022	6,749,373	12,419,491	152,931,688	2,199,488	174,300,040
Additions	358,739	1,056,640	21,496,864	117,354	23,029,598
Disposal	–	–	(77,814)	(34,953)	(112,768)
Reclassifications as held for sale	–	–	(7,822,275)	(34,953)	(7,857,229)
Adjustment and exchange difference	–	–	34,165	–	34,165
At December 31, 2022	7,108,112	13,476,131	166,562,628	2,246,935	189,393,806
Accumulated depreciation					
As at January 1, 2021	–	5,411,423	88,789,135	1,018,188	95,218,746
Charge for the year	–	369,473	7,382,497	56,771	7,808,740
Disposal	–	–	(17,784)	(4,429)	(22,213)
Adjustment and exchange difference	–	–	(17,641)	–	(17,641)
Reclassifications as held for sale	–	–	(2,192,916)	(95)	(2,193,011)
As at January 1, 2022	–	5,780,896	93,943,291	1,070,435	100,794,621
Charge for the year	–	376,963	9,274,851	72,702	9,724,516
Disposal	–	–	(73,063)	(6,781)	(79,844)
Adjustment and exchange difference	–	–	(477)	–	(477)
Reclassifications as held for sale	–	–	(6,290,664)	–	(6,290,664)
At December 31, 2022	–	6,157,859	96,853,937	1,136,356	104,148,153
Impairment					
Balance at January 1, 2021	–	–	1,288,775	–	1,288,775
Charges for the year	–	–	–	–	–
Reversal in the year	–	–	(556,052)	–	(556,052)
Balance at January 1, 2022	–	–	732,723	–	732,723
Reversal in the year	–	–	(23,971)	–	(23,971)
Balance at December 31, 2022	–	–	708,752	–	708,752
Carrying amount					
At December 31, 2022	7,108,112	7,318,272	68,999,938	1,110,579	84,536,901
At December 31, 2021	6,749,373	6,638,595	58,255,674	1,129,053	72,772,695

Company PPE	Land ₦ 000	Buildings ₦ 000	Plant and machinery ₦ 000	Office equipment ₦ 000	Total ₦ 000
Cost					
As at January 1, 2021	6,378,022	10,273,541	119,835,929	21,916	136,509,408
Additions	79,427	454,032	34,043,404	–	34,576,863
Reclassifications as held for sale	–	–	(2,405,107)	–	(2,405,107)
Adjustment and exchange difference	–	–	–	–	–
As at January 1, 2022	6,457,449	10,727,573	151,474,226	21,916	168,681,164
Additions	358,739	1,056,640	21,177,691	60,799	22,653,869
Reclassifications as held for sale	–	–	(7,822,275)	–	(7,822,275)
At December 31, 2022	6,816,188	11,784,213	164,829,641	82,715	183,512,758
Accumulated depreciation and impairment loss					
As at January 1, 2021	–	4,961,140	87,922,840	20,848	92,904,828
Charge for the year	–	299,607	7,202,024	–	7,501,631
Reclassifications as held for sale	–	–	(2,192,916)	–	(2,192,916)
As at January 1, 2022	–	5,260,747	92,931,948	20,848	98,213,543
Charge for the year	–	307,097	9,149,864	1,204	9,458,165
Reclassifications as held for sale	–	–	(6,290,664)	–	(6,290,664)
At December 31, 2022	–	5,567,844	95,791,147	22,052	101,381,043
Impairment					
Balance at January 1, 2021	–	–	1,288,776	–	1,288,776
Charge for the year	–	–	(556,052)	–	(556,052)
Balance at January 1, 2022	–	–	732,724	–	732,724
Reversal in the year	–	–	(23,972)	–	(23,972)
Balance at December 31, 2022	–	–	708,752	–	708,752
Carrying amount					
At December 31, 2022	6,816,188	6,216,369	68,329,742	60,663	81,422,962
At December 31, 2021	6,457,449	5,466,826	57,809,554	1,068	69,734,897

17. Non-current assets held for sale

Group	Plant and machinery ₦ 000	Office equipment ₦ 000	Total ₦ 000
As at January 1, 2021	105,873	–	105,873
Additions	212,191	–	212,191
Disposal	(191,175)	–	(191,175)
Balance at January 1, 2022	126,889	–	126,889
Additions	1,531,611	–	1,531,611
Disposal	(282,134)	–	(282,134)
Balance at December 31, 2022	1,376,365	–	1,376,365

Company	Plant and machinery ₦ 000	Office equipment ₦ 000	Total ₦ 000
As at January 1, 2021	103,141	–	103,141
Additions	212,191	–	212,191
Disposal	(188,443)	–	(188,443)
Balance at January 1, 2022	126,889	–	126,889
Additions	1,531,611	–	1,531,611
Disposal	(282,134)	–	(282,134)
Balance at December 31, 2022	1,376,365	–	1,376,365

At the reporting date, PPE of ₦1.5 billion (2021: ₦212.2 million) were reclassified as non-current assets held for sale. The assets are taken to the sales yard once it has been determined that their value will be realised from sale and not continuous use in the business operation by the Company's Equipment Repair Centre and sales is expected to be completed within one year.

18. Right-of-use assets

18.1 Buildings

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Cost				
Balance at 1 January	18,717,585	17,518,733	5,203,778	3,656,130
Additions	1,104,081	1,198,852	371,346	1,547,648
Exchange differences	(9,757)	–	–	–
Balance at 31 December	19,811,909	18,717,585	5,575,124	5,203,778
Accumulated amortisation				
Balance at January 1	5,287,472	3,250,856	2,897,990	1,698,155
Charge for the year	1,587,159	2,036,616	548,058	1,199,835
Balance at December 31	6,874,631	5,287,472	3,446,048	2,897,990
Carrying amount at 31 December	12,937,278	13,430,113	2,129,076	2,305,788

The Group leases a number of assets in the form of buildings and the 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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Cost	4,606,412	4,606,412	-	-
Exchange difference	6,534,028	6,544,090	-	-
	11,140,440	11,150,502	-	-

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, 2022	2,451,389	2,451,389	-	-
Additions during the year	-	-	-	-
Balance at December 31, 2022	2,451,389	2,451,389	-	-
Accumulated amortisation				
Balance at January 1, 2022	565,704	377,136	-	-
Charge for the year	188,568	188,568	-	-
Balance at December 31, 2022	754,272	565,704	-	-
Carrying amount				
Balance at December 31, 2022	1,697,117	1,885,685	-	-

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 the Multi-Purpose Terminal C (Canal Berth) at Warri Old Port. The related liability is disclosed in Note 32. The outstanding lease term is 9 years up to 2031.

20. Investment property

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Cost				
As at 1 January	2,785,189	2,742,372	2,785,189	2,742,372
Additions during the year	-	42,817	-	42,817
At 31 December	2,785,189	2,785,189	2,785,189	2,785,189
Accumulated amortisation				
As at 1 January	778,664	769,465	778,664	769,465
Adjustment	286,140	(89,655)	286,140	(89,655)
Charge for the year	100,267	98,854	100,267	98,854
At 31 December	1,165,071	778,664	1,165,071	778,664
Carrying amount				
At 31 December	1,620,118	2,006,525	1,620,118	2,006,525

The investment property comprises a number of commercial properties that are leased to related and third parties.

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

In estimating the fair value of the properties in line with the requirements of IFRS 13, the discounted cash flow technique is used to estimate the income to be generated by the properties in consecutive years of the projection.

The fair value of the Group's investment property at December 31, 2022 has been arrived at on the basis of a valuation carried out by Osas & Oseji, an independent estate surveyor & valuer and certified by the firm partner, Hyacinth Oseji, FRC/2012/00000000552 at that date to be ₦2.65 billion.

21. Investments

21.1 Investments in subsidiaries

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
As at 1 January	-	-	16,916,771	16,916,771
Additions during the year	-	-	-	-
Disposals	-	-	-	-
At 31 December	-	-	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	
			2022	2021
Abumet Nigeria Ltd.	Manufacturers and dealers in aluminium, 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 maintenance 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

	Deposit for shares ₦ 000	Loans and receivables ₦ 000	Total ₦ 000
As at January 1, 2021	2,305,606	–	2,305,606
Exchange difference	139,095	–	139,095
Reclassification	(2,444,701)	2,444,701	–
Impairment during the year	–	(51,821)	(51,821)
At December 31, 2021	–	2,392,880	2,392,880
Exchange difference	–	131,161	131,161
Repayment	–	(516,294)	(516,294)
Impairment during the year	–	(3,157)	(3,157)
At December 31, 2022	–	2,004,589	2,004,589
Analysed as follows			
Current portion		518,726	518,726
Non-current portion		1,485,863	1,485,863
		2,004,589	2,004,589

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.

The deposit for shares which was categorized as an equity instrument and measured at cost less impairment previously, has been converted to a debt instrument in the Financial Year 2021. Consequently, it was reclassified to loans and receivables and assessed for impairment.

22. Inventories

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Construction materials	7,317,261	14,564,100	7,317,261	14,564,100
Consumables	11,761,069	8,762,075	10,014,472	7,121,639
Spares	17,065,606	11,465,699	17,001,660	11,382,616
Raw cashew nuts	3,362,274		3,362,274	
Others	4,029,221	1,849,746	3,112,347	1,085,959
	43,535,431	36,641,621	40,808,014	34,154,314
Allowances (Note 22.1)	(237,762)	(311,456)	–	(162,033)
	43,297,669	36,330,165	40,808,014	33,992,281

22.1 Obsolete inventory

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

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at beginning of year	311,456	285,852	162,033	157,738
Amount charged/ (written back) to profit or loss	(73,694)	25,604	(162,033)	4,295
Balance at end of year	237,762	311,456	–	162,033

22.2 Inventory recognised as expense

The cost of inventories recognised as an expense during the year in respect of operations was ₦165.8 billion (December 31, 2021: ₦137.6 billion).

22.3 Inventory pledged as securities

Inventories have not been pledged as security for liabilities.

23. Contract liabilities

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Due to customers under construction contracts	(329,618,912)	(290,329,565)	(327,816,245)	(289,640,487)
	(329,618,912)	(290,329,565)	(327,816,245)	(289,640,487)
Analysed as follows				
Current portion	1,802,667	689,078	–	–
Non-current portion	327,816,245	289,640,487	327,816,245	289,640,487
	329,618,912	290,329,565	327,816,245	289,640,487

24. Trade and other receivables

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Trade receivables				
Contract and retention receivables (Note 24.5)	143,091,361	166,724,247	138,692,977	163,147,970
Less allowance for doubtful debt (Note 24.3)	(9,695,572)	(8,205,942)	(8,879,432)	(7,523,860)
	133,395,788	158,518,306	129,813,545	155,624,110
Other receivables				
Supplier advances	18,393,454	27,343,467	18,004,847	26,242,877
Amount owed by related entities (Note 36.2)	–	–	4,901,126	5,824,988
Amount owed by staff debtors	123,339	601,579	120,095	586,775
Prepayments and accrued income	6,017,198	13,815,824	5,680,735	13,686,124
Other receivables	30,203,269	22,417,915	29,746,923	22,410,092
	188,133,048	222,697,091	188,267,271	224,374,966
Analysed as follows:				
Current Portion	104,755,602	162,700,642	104,889,825	164,343,342
Non-current Portion	83,377,446	60,031,624	83,377,446	60,031,624
	188,133,048	222,732,266	188,267,271	224,374,966

Trade receivables expected to be recovered within one year include retentions of Nil (2021: 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 24.1) against all receivables because management's continuous efforts to recover these debts are gradually becoming uncertain. Allowances for doubtful debts are recognised against trade receivables based on management's assessment of the historical loss rates.

Trade receivables disclosed above include amounts (see below 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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Up to 1 year	103,336,832	161,635,690	104,287,195	163,960,473
Above 1 year	75,100,644	52,890,634	75,100,644	52,890,634
	178,437,476	214,526,324	179,387,839	216,851,106

24.2 Age of receivables that are past due but impaired

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Up to 1 year	1,418,770	1,064,952	602,630	382,869
Above 1 year	8,276,802	7,140,990	8,276,802	7,140,990
	9,695,572	8,205,942	8,879,432	7,523,860

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	8,205,942	5,599,692	7,523,860	7,163,100
Impairment charge for the year	1,489,630	2,606,250	1,355,572	360,760
Balance at 31 December	9,695,572	8,205,942	8,879,432	7,523,860

During the reporting period, no amounts (2021: Nil) were written-off as uncollectible.

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	166,724,247	148,283,656	163,147,970	138,030,522
Movements in the year	(23,632,887)	18,440,591	(24,454,993)	25,117,448
Balance at 31 December	143,091,361	166,724,247	138,692,977	163,147,970

24.6 Impairment of financial assets

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Recognised on trade receivables	1,489,629	2,658,071	1,355,572	360,760
Recognised on tax receivables	2,443,076	1,121,445	2,389,902	1,260,409
Impairment losses reversed	–	(35,175)	–	–
	3,932,706	3,744,341	3,745,474	1,621,169

25. Tax receivables

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	32,720,120	30,532,451	31,783,928	29,471,664
Movements in the year	18,634,795	15,280,117	18,295,191	14,802,430
Utilised as tax offset	(5,713,374)	(7,419,179)	(5,436,301)	(6,921,163)
	45,641,540	38,393,390	44,642,818	37,352,931
Allowances	(8,116,346)	(5,673,270)	(7,958,905)	(5,569,003)
Balance at 31 December	37,525,194	32,720,120	36,683,913	31,783,928
Made up as follows:				
Current portion	3,954,749	2,884,222	3,608,584	2,663,400
Non-current portion	33,570,445	29,835,898	33,075,329	29,120,528
	37,525,194	32,720,120	36,683,913	31,783,928

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

26. Contract assets

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	13,962,640	1,646,457	12,396,224	–
Additions	46,288,497	12,476,339	45,975,924	12,396,224
Reclassifications	–	(160,156)	–	–
Balance at December 31	60,251,137	13,962,640	58,372,148	12,396,224

As long as revenue cannot be recognised appropriately, the group recognises an asset from the cost incurred in fulfilling a contract with a customer, once these costs directly relate to the fulfilment of the contract, enhance or generate resources that will be used to satisfy the performance obligation and are expected to be recovered by the customer. Contract assets are subject to impairment requirements of IFRS 9 and IFRS 15.107. Any amount previously recognised as a contract asset is reclassified to trade receivables once it is qualified as such in line with IFRS 15, see Note 3.6.2.

27. Issued capital and dividend

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Share capital (Note 27.1)	800,000	800,000	800,000	800,000
Share premium	425,440	425,440	425,440	425,440
	1,225,440	1,225,440	1,225,440	1,225,440

27.1 Share capital

The issued and fully paid-up share capital of the Company is ₦800 million (2021: ₦800 million). This comprises 1.6 billion (2021: 1.6 billion) ordinary shares of 50 Kobo each. All the ordinary shares rank pari-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 Dividend

The Directors are proposing a final dividend in respect of the financial year ended December 31, 2022 of ₦2.50 per share (2021: ₦2.50), which will absorb an estimated ₦4.0 billion (2021: ₦4.0 billion) of equity. Subject to approval, it will be paid on June 16, 2023, to shareholders on the register of members as at close of business on May 26, 2023 (qualification date). The dividend has not been provided for and withholding tax will be deducted at the appropriate rate when payment is made.

27.2.1 Unclaimed dividend

Unclaimed dividend is the difference of dividend declared by the Company and payments made to shareholders. The amount is payable on demand to shareholders. The funds are held partially by the registrar and the Company in a separate bank account.

Unclaimed dividend as at December 31, 2022	Year	Registrar ₦ 000	Company ₦ 000
Dividend No. 34	2010	13,401	70,022
Dividend No. 35	2011	17,169	91,708
Dividend No. 36	2012	15,923	90,582
Dividend No. 37	2013	13,498	99,494
Dividend No. 38	2014	14,095	103,172
Dividend No. 39	2015	8,866	65,404
Dividend No. 40	2017	10,992	55,821
Dividend No. 41	2018	21,475	112,827
Dividend No. 42	2019	23,521	131,121
Dividend No. 43	2020	6,708	27,500
Dividend No. 44	2021	217,091	–

28. Non-controlling interest

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	5,839	59,195	–	–
Share of (loss)/profit for the year	41,211	(53,356)	–	–
Balance at 31 December	47,050	5,839	–	–

29. Borrowings

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Bank overdraft (29.1)	337,605	19,179,892	337,605	19,179,892
Term loan (29.2)	3,409,431	5,590,022	3,409,431	5,590,022
	3,747,036	24,769,914	3,747,036	24,769,914

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 10 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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	5,590,022	7,813,823	5,590,022	7,813,823
Exchange difference	125,588	166,793	125,588	166,793
Repayment in the year	(2,306,179)	(2,390,594)	(2,306,179)	(2,390,594)
Balance at 31 December	3,409,431	5,590,022	3,409,431	5,590,022
Analysed as follows:				
Current portion	2,308,299	2,310,386	2,308,299	2,310,386
Non-current portion	1,101,132	3,279,636	1,101,132	3,279,636
	3,409,431	5,590,022	3,409,431	5,590,022

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	210,282	340,301	197,401	326,730
Provision during the year	3,282,878	2,662,632	3,091,665	2,508,483
Remittance to pension fund administrators	(3,069,890)	(2,792,651)	(2,882,495)	(2,637,812)
Balance at 31 December	423,270	210,282	406,570	197,401

The total expense for the defined contribution plans amounted to ₦3.3 billion (2021: ₦2.7 billion).

30.2 Defined benefit plan – discontinued scheme

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Present value of unfunded defined benefit obligation	4,687,084	3,757,987	3,367,894	2,863,996
Net liability arising from defined benefit obligation	4,687,084	3,757,987	3,367,894	2,863,996

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

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Opening defined benefit obligation	3,757,987	4,615,549	2,863,996	3,224,121
Current service cost	1,259,006	457,906	291,531	231,707
Interest on defined benefit obligation	451,043	281,675	369,289	281,675
Actuarial (gains) / losses due to experience adjustment	(103,254)	(738,227)	172,222	(738,227)
Payments in the year	(677,699)	(858,916)	(329,144)	(135,280)
Closing defined benefit obligation	4,687,084	3,757,987	3,367,894	2,863,996

Liability in the Statement of Financial Position is as follows:

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Current portion	423,270	210,282	406,570	197,401
Non-current portion	4,687,084	3,757,987	3,367,894	2,863,996
	5,110,353	3,968,269	3,774,464	3,061,397

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

Statement of Profit or Loss	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Recognised in profit or loss	3,996,649	3,402,213	3,383,196	3,021,865
Recognised in other comprehensive income	(103,254)	(738,227)	172,222	(738,227)
Total amount recognized in the Income Statement	3,893,395	2,663,986	3,555,418	3,555,418

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, Wise Chigudu (MBA, FIA), FRC/2022/PRO/NAS/00000024119.

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 10 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 31/12/2022 Percentage	Valuation at 31/12/2021 Percentage
Discount rate(s)	14.0	13.5
Expected rate(s) of salary increase	13.0	12.0
Average rate(s) of inflation	13.0	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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:	1,710,049	739,581	660,820	513,382

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

31. Trade and other payables

31.1 Trade payables

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Trade payables (Note 31.1)	51,573,905	55,139,214	43,174,361	44,395,230
Other payables				
Amount owed to related entities (Note 36.2)	–	–	31,942,421	37,028,496
Other taxation and social security costs	10,111,500	4,685,774	8,301,788	4,685,774
Accruals and deferred income	8,583,561	11,818,306	5,686,963	6,099,281
Dividend payable (Note 31.3)	1,058,373	1,114,090	1,058,373	1,114,090
Other payables	897,089	408,804	252,272	116,773
Trade and other payables	72,224,427	73,166,188	90,416,178	93,439,644
Analysed as follows:				
Current Portion	68,833,398	65,430,373	87,203,058	86,682,677
Non-current Portion	3,391,029	7,735,815	3,213,120	6,756,967
	72,224,427	73,166,188	90,416,178	93,439,644

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at 1 January	1,114,090	1,004,889	1,114,090	1,004,889
Dividend declared	4,000,000	635,600	4,000,000	633,600
Dividend refunded	(55,717)	109,201	(55,717)	109,201
	5,058,373	1,749,690	5,058,373	1,747,690
Payment	(4,000,000)	(635,600)	(4,000,000)	(633,600)
Balance at 31 December	1,058,373	1,114,090	1,058,373	1,114,090

32. Lease liabilities

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Maturity analysis - Contractual undiscounted cash flows				
Less than one year	1,508,005	1,013,682	400,983	948,568
One to five years	5,576,128	8,711,424	1,148,042	1,394,577
More than five years	6,253,845	13,087,135	1,036,448	960,000
Total undiscounted lease liabilities at December	13,337,978	22,812,241	2,585,474	3,303,145
Lease liabilities included in the statement of financial position				
Balance at 1 January	15,134,334	15,810,120	1,058,291	597,232
Addition during the year	662,835	986,079	2,573	1,172,205
Interest on leases	808,593	896,531	121,866	229,403
Payments during the year	(1,591,920)	(2,558,396)	-	(940,550)
Additions/reductions due to exchange differences (NGN equiv. only)	(9,911)	-	-	-
Balance at 31 December	15,003,932	15,134,334	1,182,731	1,058,290
Analysed as follows:				
Current Portion	2,033,517	1,677,518	343,090	179,908
Non-current Portion	12,970,416	13,456,816	839,641	878,382
	15,003,932	15,134,334	1,182,731	1,058,290
Amounts recognised in profit or loss				
Interest on lease liabilities	808,593	896,531	121,866	229,403
Amortisation of rights-of-use assets	1,775,727	2,036,616	548,058	1,199,835
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	1,591,920	2,558,396	-	940,550

33. Provisions

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Balance at beginning of year	1,227,997	1,216,352	300,000	300,000
Provision for the year	2,016,022	11,645	1,670,245	-
Balance at end of year	3,244,019	1,227,997	1,970,245	300,000
Made up as follows:				
Current portion	-	-	-	-
Non-current portion	3,244,019	1,227,997	1,970,245	300,000
	3,244,019	1,227,997	1,970,245	300,000

33.1 Information about individual provisions and significant estimates

As of December 31, 2022, there are a number of legal suits outstanding against the group. Based on the current status of ongoing court cases, facts and circumstances, management assesses the amounts at risk by their probability of occurrence and backed up with both internal and external evaluations. As a result, management recognizes a provision in line with the requirements of IAS 37 and IFRS 3 accordingly.

33.2 Movements in provisions

Movements in each class of provision during the financial year are set out below:

Group	Legal Claim	Other Provisions	Total
At 1 January 2022	300,000	927,997	1,227,997
Additional provisions recognised	700,000	1,687,928	2,387,928
Amounts used during the year	-	(371,905)	(371,905)
Unused amounts reversed	-	-	-
Carrying amount at end of year	1,000,000	2,244,019	3,244,019
Company	Legal Claim	Other Provisions	Total
At 1 January 2022	300,000	-	300,000
Additional provisions recognised	700,000	970,245	1,670,245
Amounts used during the year	-	-	-
Unused amounts reversed	-	-	-
Carrying amount at end of year	1,000,000	970,245	1,970,245

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

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Profit for the year	7,948,952	8,798,773	6,231,584	7,782,070
Adjustment for:				
Investment income	(1,072,393)	(994,199)	(1,222,393)	(1,137,199)
Finance costs	4,294,728	4,230,804	4,107,569	4,285,619
Depreciation of PPE	10,923,658	7,761,463	10,707,641	7,501,631
Impairment loss	23,972	(159,222)	23,972	(556,052)
Depreciation of investment property	386,408	9,199	386,408	9,199
Actuarial gains on retirement benefits	172,222	(738,227)	172,222	(738,227)
Gain on disposal of PPE	(896,546)	(1,116,902)	(890,463)	(1,114,589)
Interest on lease liabilities	124,440	412,308	124,440	229,403
Amortisation of right-of-use/intangible assets	1,436,631	2,812,764	548,058	1,199,835
Exchange differences and other (gains)/ losses	(557,090)	(77,355)	(635,652)	(136,539)
Increase in provisions	1,995,799	11,645	1,670,246	–
Operating cash flows before movements in working capital	24,780,780	20,951,051	21,223,630	17,325,150
(Increase)/decrease in inventories	(6,949,054)	(19,792,403)	(6,815,733)	(18,651,722)
Decrease/(increase) in contract assets	(45,948,871)	56,061	(45,975,924)	–
Increase in trade and other receivables	52,855,971	(73,681,215)	36,107,695	(77,767,916)
Increase in tax receivable	(3,506,992)	(2,397,138)	(3,133,809)	(2,312,264)
(Decrease)/Increase in retirement benefit liabilities	1,126,196	(975,579)	713,067	(489,454)
(Decrease)/Increase in trade and other payables	(21,657,083)	17,271,942	(5,204,056)	33,814,501
Increase/(decrease) in contract liabilities	39,323,685	122,893,434	38,175,758	122,240,026
Cash generated by operations	40,024,632	64,326,154	35,090,628	74,158,321
Movement in taxation	2,061,656	3,480,067	1,995,685	1,412,365
Net cash from operating activities	42,086,289	67,806,220	37,086,313	75,570,686

34.1 Analysis of cash, cash equivalents and net cash

Group	Balance at 01/01/2022 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2022 ₦ 000
Cash and bank balances	60,997,463	(7,565,718)	–	53,431,745
Cash and cash equivalents	60,997,463	(7,565,718)	–	53,431,745
Bank overdraft	(19,179,892)	18,842,287	–	(337,605)
	41,817,571	11,276,569	–	53,094,140

Company	Balance at 01/01/2022 ₦ 000	Cash flow ₦ 000	Exchange and non-cash movements ₦ 000	Balance at 31/12/2022 ₦ 000
Cash and bank balances	55,978,451	(12,469,587)	–	43,508,864
Cash and cash equivalents	55,978,451	(12,469,587)	–	43,508,864
Bank overdraft	(19,179,892)	18,842,287	–	(337,605)
	36,798,559	6,372,700	–	43,171,259

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 limits.

The gearing ratio at the year-end is as follows:

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Bank overdraft	(337,605)	(19,179,892)	(337,605)	(19,179,892)
Borrowings	(3,409,431)	(5,590,022)	(3,409,431)	(5,590,022)
Cash and bank balance	53,431,745	60,997,463	43,508,864	55,978,451
Net debt (i)	49,684,709	36,227,549	39,761,828	31,208,537
Equity (ii)	57,061,727	53,112,774	32,144,422	29,912,838
Net debt to equity ratio	0.87	0.68	1.24	1.04

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Financial Assets				
Loans and receivables (Amortised costs)				
Trade and other receivables	188,133,048	159,155,060	188,267,271	162,035,873
Tax receivables	37,525,194	32,720,120	36,683,913	31,783,928
Contact assets	60,251,137	13,962,640	58,372,148	12,396,224
Other financial assets	2,004,589	2,392,880	–	–
Cash and bank balances	53,431,745	60,997,463	43,508,864	55,978,451
Total Reportable Financial Assets	341,345,714	269,228,162	326,832,196	262,194,476
Financial liabilities				
Amortised cost				
Borrowings and bank overdraft	3,747,036	24,769,914	3,747,036	24,769,914
Trade and other payables	72,224,427	75,083,263	90,416,178	93,739,644
Lease liabilities	15,003,932	15,134,334	1,182,731	1,058,290
Current tax liabilities	4,831,590	3,468,829	4,429,576	3,234,315
Fair Value Through Other Comprehensive Income (FVOCI)				
Retirement benefit liabilities	5,110,353	3,968,269	3,774,464	3,061,397
Total Reportable Financial Liabilities	100,917,338	122,424,609	103,549,985	125,863,560

35.3 Risk management

The Group has an integrated Risk Management System that identifies and measures the impact of the risks it faces. Furthermore, 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 because it borrows funds at fixed interest rates for both bank overdrafts and long-term loans. Since the bank overdraft is repayable on demand, the carrying amount reflects the fair value as at the reporting date.

The amounts of the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section, Note 35.3.4.

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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Monetary assets/liabilities denominated in Euro				
Cash and bank balances	8,496,633	3,967,588	362,239	112,851
Trade receivables	13,275,053	6,913,778	11,177,616	3,015,694
Trade payables	(16,442,954)	(2,520,551)	(39,647,786)	(29,127,242)
	5,328,733	8,360,815	(28,107,931)	(25,998,696)
Monetary assets/liabilities denominated in Dollar				
Cash and bank balances	14,444,302	7,770,347	12,751,805	7,651,215
Trade receivables	4,558,153	1,102,290	3,630,308	1,053,135
Trade payables	(24,621,530)	(18,260,822)	(23,619,491)	(17,894,595)
	(5,619,075)	(9,388,184)	(7,237,378)	(9,190,245)

For Euro and US Dollar, the exchange rates fluctuated by -0.09% and +6.09% (2021: -2.13% and +6.03%) during the reporting period. The translation of outstanding monetary items denominated in foreign currency was adjusted by the above-mentioned rates to account for the change in foreign currency rates.

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Naira appreciates by 0.09% (2021: 2.13%) against Euro	(4,796)	(178,085)	25,297	553,772
Naira depreciates by 6.09% (2021: 6.03%) against US Dollar	(342,202)	(566,108)	(440,756)	(554,172)
Impact on reported profit	(346,998)	(744,193)	(415,459)	(400)

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.

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.

35.3.3.1 Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, tax receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets while the discounting model is a reasonable approximation for tax receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 or January 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the CBN Monetary Policy Rate to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors.

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 counterparty. Counterparty 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 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Trade receivables	133,395,788	158,518,306	129,813,545	155,624,110
Cash and bank balances	53,431,745	60,997,463	43,508,864	55,978,451
	186,827,534	219,515,769	173,322,409	211,602,561

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.

35.3.4 Liquidity risk management

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

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

Group	Up to 1 year ₦ 000	Above 1 year ₦ 000	Total ₦ 000
Financial assets			
Trade and other receivables	104,755,602	83,377,446	188,133,048
Tax receivable	3,954,749	33,570,445	37,525,194
Contract assets	60,251,137	–	60,251,137
Total	168,961,489	116,947,891	285,909,380
Other financial assets	518,726	1,485,863	2,004,589
Cash and bank balances	53,431,745	–	53,431,745
	222,911,960	118,433,753	341,345,714
Financial liabilities			
Bank overdraft	337,605	–	337,605
Borrowings	2,308,299	1,101,132	3,409,431
Trade and other payables	68,833,398	3,391,029	72,224,427
Tax liabilities	4,831,590	–	4,831,590
Lease liabilities	2,033,517	12,970,416	15,003,932
Retirement benefit liabilities	423,270	4,687,084	5,110,353
	78,767,678	22,149,660	100,917,338

Company	Up to 1 year ₦ 000	Above 1 year ₦ 000	Total ₦ 000
Financial assets			
Trade and other receivables	104,889,825	83,377,446	188,267,271
Tax receivable	3,608,584	33,075,329	36,683,913
Contract assets	58,372,148	–	58,372,148
Other financial assets	–	–	–
Cash and bank balances	43,508,864	–	43,508,864
	210,379,421	116,452,776	326,832,196
Financial liabilities			
Bank overdraft	337,605	–	337,605
Borrowings	2,308,299	1,101,132	3,409,431
Trade and other payables	87,203,058	3,213,120	90,416,178
Tax liabilities	4,429,576	–	4,429,576
Lease liabilities	343,090	839,641	1,182,731
Retirement benefit liabilities	406,570	3,367,894	3,774,464
	95,028,198	8,521,787	103,549,985

35.3.5 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-subsubsidiary
- Key Management Personnel and entities controlled by key management (Note 36.3)

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 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 Transactions with related parties

	Sale of goods and services 31/12/2022 ₦ 000	Sale of goods and services 31/12/2021 ₦ 000	Purchase of goods and services 31/12/2022 ₦ 000	Purchase of goods and services 31/12/2021 ₦ 000
Subsidiaries				
Abumet Nigeria Limited	1,339,336	1,183,863	4,881,850	1,779,517
Julius Berger Services Nigeria Limited	1,213,958	349,262	975,955	984,415
PrimeTech Design and Engineering Limited	1,126,016	979,627	963,053	1,687,169
Julius Berger Medical Services Limited	106,120	772,138	1,945,555	2,084,380
Julius Berger International GmbH	560,808	215,725	51,588,447	46,770,383
Entities controlled by key management personnel	1,216,820	179,261	50,080	4,072,583
	5,563,058	3,679,876	60,404,940	57,378,447

	Receivables 31/12/2022 ₦ 000	Receivables 31/12/2021 ₦ 000	Payables 31/12/2022 ₦ 000	Payables 31/12/2021 ₦ 000
Subsidiaries				
Abumet Nigeria Limited	1,085,600	3,167,468	–	–
Julius Berger Services Nigeria Limited	2,875,654	2,097,069	150,000	150,000
PrimeTech Design and Engineering Limited	476,519	261,620	–	–
Julius Berger Medical Services Limited	279,201	173,081	1,022,211	937,934
Julius Berger International GmbH	–	–	30,356,261	35,513,058
Julius Berger Investment Limited	143,708	125,750	–	–
Julius Berger Free Zone Enterprise	40,444	–	413,949	427,504
Entities controlled by key management personnel	2,286,938	4,916,242	358,189	(1,559,778)
	7,188,065	10,741,230	32,300,610	38,588,274

36.3 Key Management Personnel

- Mr. Mutiu Sunmonu, CON, Chairman
- Mr. George Marks (German), Vice Chairman
- Engr. Jafaru Damulak
- Dr. Ernest Nnaemeka Azudialu-Obiejesi, OFR
- 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. Chidi Anya, Esq. Independent Non-Executive Director
Appointed wef July 1, 2022
- Amb. Adamu Saidu Daura, MFR, Independent Non-Executive Director
Appointed wef July 1, 2022
- Engr. Dr. Lars Richter (German), Managing Director (Executive)
- Alhaji Zubairu Ibrahim Bayi, Director Administration (Executive)
- Mr. Tobias Meletschus (German), Director Corporate Development (Executive)
- Mr. Christian Hausemann (German), Financial Director (Executive)

36.3.1 Remuneration of Key Management Personnel

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Short term benefits	1,197,952	1,158,545	1,139,852	1,156,045
Long term benefits	–	–	–	–
Post-employment benefits	–	–	–	–
Termination benefits	–	–	–	–
	1,197,952	1,158,545	1,139,852	1,156,045

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

36.4 Details of loans from/to Key Management Personnel

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

36.5 Identify the ultimate controlling party of Julius Berger Nigeria Plc

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

36.6 Other information on Key Management Personnel

	Group 31/12/2022 ₦ 000	Group 31/12/2021 ₦ 000	Company 31/12/2022 ₦ 000	Company 31/12/2021 ₦ 000
Emoluments				
Chairman	10,500	10,500	10,500	10,500
Other Directors	1,187,452	1,148,045	1,129,352	1,145,545
	1,197,952	1,158,545	1,139,852	1,156,045
Fees	120,600	52,000	62,500	49,500
Other emoluments	1,077,352	1,106,545	1,077,352	1,106,545
	1,197,952	1,158,545	1,139,852	1,156,045
Highest paid Director	417,532	408,907	417,532	408,907

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

₦1,000,001 – ₦3,000,000	–	–	–	–
₦3,000,001 and above	15	13	13	12
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

During the evaluation of whether certain liabilities represent contingent liabilities or provisions, management is required to exercise significant judgment. Based on the current status, facts and circumstances, management concluded that disputes with claimants (as disclosed in Note 33.1 and 37.2) should be classified as contingent liabilities with regards to the dispute amounts. On this basis, management assesses the risk amounts as described in Note 33.1.

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 that could have had material effect on the state of affairs of the Group as at December 31, 2022, and the profit for the year then ended date, which 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.

39.1 Amendments in prior years figures

In the Report of the Financial Year 2022, the comparable figures for 2021 were adjusted in the following notes and related disclosures:

- Statement of Financial Position - Distinction between current and non-current portion for "Other Financial Assets".
- Notes 24. - Consolidation of "Contract and retention receivables" and "Receivables from rendering of services".
- Notes 24.1 - 24.2 - Grouping adjusted to ensure referability to Statement of Financial Position as well as correction of receivables and impairment balances due to prior year adjustment.
- Notes 24.3 - Adjustment of opening balance of prior year.
- Note 30.3 - Consolidation of "Cost of sales" and "Administrative expenses".
- Note 35.3.2 - Correction of transposed figures (trade receivables vs. trade payables)
- Note 35.3.4 - Grouping adjusted to ensure referability to Statement of Financial Position.

40. Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on March 30, 2023.

41. Impact of COVID-19

The Group has considered the impact of COVID-19 on its business operations and has put in place appropriate safeguards to minimise negative impact of the COVID-19 pandemic. In doing so, the Group has considered impacts on the basis of the following accounting standards:

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 abnormally (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 employees, revenue, results and cash-flows 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, namely a business case for processing of Raw Cashew Nuts in Nigeria. This diversification direction will strongly establish the Company in the food sector, support the continued success of the Group in the future and align with the strategic objective of the Federal Government of Nigeria to stimulate value creation in country. At September 10, 2022, the company formally commissioned its pioneer cashew processing plant in Epe, Lagos State.

43. Securities Trading Policy

In compliance with Rule 17.15 of the Issuers Rules, Julius Berger Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorised 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.



Abuja-Kaduna-Zaria-Kano Road

ADDITIONAL INFORMATION

for the year ended December 31, 2022

STATEMENT OF VALUE ADDED

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

	Group 2022 ₦000	Group 2022 %	Group 2021 ₦000	Group 2021 %	Company 2022 ₦000	Company 2022 %	Company 2021 ₦000	Company 2021 %
Revenue	440,981,644		338,806,798		425,761,125		317,210,503	
Bought in materials and services								
Foreign	(1,992,687)	–	(2,108,208)	–	(31,034,071)	–	(31,034,071)	–
Local	(315,482,975)	–	(230,483,034)	–	(300,624,077)	–	(198,717,835)	–
Value added	123,505,981	100.0	106,215,556	100.0	94,102,977	100.0	87,458,597	100.0
Applied as follows:								
To pay employees’ salaries, wages, and social benefits								
Staff costs	94,826,606	76.8	79,606,815	74.9	69,277,649	73.6	64,039,520	73.2
To pay providers of capital								
Finance costs	4,294,728	3.5	4,230,804	4.0	4,107,569	4.4	4,285,619	4.9
To pay government								
Taxation	5,810,555	4.7	4,426,435	4.2	4,428,963	4.7	3,234,315	3.7
To provide for maintenance and development								
Depreciation	8,814,482	7.1	7,907,594	7.4	8,632,442	9.2	7,600,485	8.7
Deferred tax	1,810,658	1.5	1,245,134	1.2	1,424,770	1.5	516,588	0.6
Retained earnings	7,907,741	6.4	8,852,129	8.3	6,231,584	6.6	7,782,070	8.9
Non-controlling interest	41,211	0.0	(53,356)	(0.1)	–	–	–	–
Value added	123,505,981	100.0	106,215,556	100.0	94,102,977	100.0	87,458,597	100.0

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.

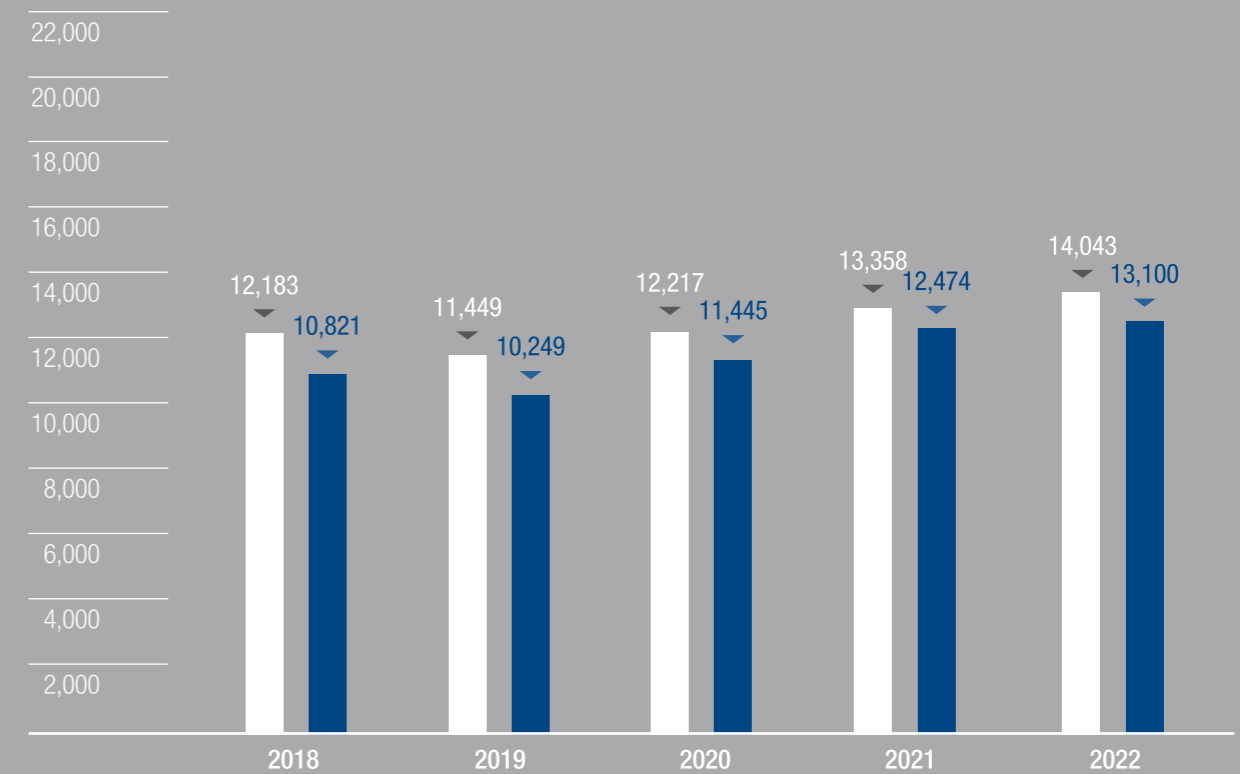
Statement of Financial Position	Group 2022 ₦000	Group 2021 ₦000	Group 2020 ₦000	Group 2019 ₦000	Group 2018 ₦000	Company 2022 ₦000	Company 2021 ₦000	Company 2020 ₦000	Company 2019 ₦000	Company 2018 ₦000
Non-current assets										
Property, plant and equipment	84,536,901	72,772,695	45,567,163	42,769,660	41,342,451	81,422,962	69,734,897	42,315,804	39,700,230	38,636,436
Right-of-use assets	12,937,278	13,430,113	14,267,877	13,457,535	–	2,129,076	2,305,788	1,957,975	1,918,354	–
Goodwill	11,140,440	11,150,502	11,393,512	9,268,642	9,434,576	–	–	–	–	–
Other intangible assets	1,697,117	1,885,685	2,074,253	2,262,821	–	–	–	–	–	–
Investment property	1,620,118	2,006,525	1,972,907	1,792,431	2,260,012	1,620,118	2,006,525	1,972,907	1,792,431	2,260,012
Investment in subsidiaries	–	–	–	–	–	16,916,771	16,916,771	16,916,771	16,916,771	16,916,771
Trade and other receivables	83,377,446	60,031,624	64,847,570	52,908,763	61,346,789	83,377,446	60,031,624	64,847,570	52,908,763	65,128,223
Tax receivables	33,570,445	29,835,898	28,182,927	24,400,384	17,211,734	33,075,329	29,120,528	27,408,092	23,566,705	17,644,652
Deferred tax assets	8,319,640	6,730,603	4,413,990	3,798,902	2,577,821	6,772,761	5,213,061	4,011,003	3,617,728	2,434,847
Other financial assets	1,485,863	2,392,880	2,305,606	2,048,547	2,045,681	–	–	–	–	–
Net current assets	187,015,650	184,035,662	77,539,032	100,259,125	76,052,400	157,535,602	157,716,008	49,847,723	72,391,777	51,843,212
	425,700,897	384,272,187	252,564,837	252,966,810	212,271,464	382,850,066	343,045,202	209,277,845	212,812,759	194,864,153
Non-current liabilities										
Borrowings	(1,101,132)	(3,279,636)	(5,503,437)	(7,273,975)	–	(1,101,132)	(3,279,636)	(5,503,437)	(7,273,975)	–
Retirement benefits liabilities	(4,687,084)	(3,757,987)	(4,615,549)	(3,334,920)	(3,045,094)	(3,367,894)	(2,863,996)	(3,224,121)	(2,062,135)	(1,582,142)
Deferred tax liabilities	(15,429,246)	(12,060,675)	(8,498,928)	(8,730,298)	(7,546,216)	(12,397,367)	(9,412,896)	(7,694,250)	(7,508,543)	(6,657,438)
Contract liabilities	(327,816,245)	(289,640,487)	(167,360,747)	(169,930,198)	(160,609,800)	(327,816,245)	(289,640,487)	(167,360,747)	(169,930,198)	(160,609,800)
Lease liabilities	(12,970,416)	(13,456,816)	(14,248,730)	(13,468,417)	–	(839,641)	(878,382)	(417,324)	(476,568)	–
Trade and other payables	(3,391,029)	(7,735,815)	(6,173,492)	(9,027,064)	(4,578,295)	(3,213,120)	(6,756,967)	(2,013,598)	(4,867,170)	(8,471,491)
Provisions	(3,244,019)	(1,227,997)	(1,216,352)	(873,946)	(1,074,169)	(1,970,245)	(300,000)	(300,000)	(300,000)	(832,360)
Net Assets	57,061,727	53,112,774	44,947,602	40,327,992	35,417,890	32,144,422	29,912,838	22,764,368	20,394,170	16,710,922
Capital and reserves										
Share capital	800,000	800,000	792,000	660,000	660,000	800,000	800,000	792,000	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	15,901,977	15,943,640	15,987,480	9,303,052	10,260,927	–	–	–	–	–
Retained earnings	39,887,260	35,937,856	27,683,487	29,882,143	24,009,914	30,918,982	28,687,398	21,546,928	19,308,730	15,625,482
Attributable to equity holders of the parent	57,014,677	53,106,936	44,888,407	40,270,635	35,356,281	32,144,422	29,912,838	22,764,368	20,394,170	16,710,922
Non-controlling interest	47,050	5,839	59,195	57,357	61,609	–	–	–	–	–
	57,061,727	53,112,774	44,947,602	40,327,992	35,417,890	32,144,422	29,912,838	22,764,368	20,394,170	16,710,922
Revenue and profit										
Revenue	440,981,644	338,806,798	241,779,455	266,430,227	194,617,712	425,761,125	317,210,503	235,206,675	243,488,979	170,326,746
Profit before taxation	15,537,232	14,176,018	3,856,642	13,918,812	10,197,666	12,258,152	10,794,746	8,075,009	10,079,724	6,630,666
Profit attributable to the equity holders of the parent	7,907,741	8,852,129	7,281,850	7,554,354	6,992,399	6,231,584	7,782,070	5,010,198	6,323,248	4,788,211
Dividend	–	4,000,000	635,600	2,642,000	2,648,000	–	4,000,000	633,600	2,640,000	2,640,000
Earnings per ordinary share (₦)										
Actual	4.94	5.53	4.60	5.72	5.30	3.89	4.86	3.16	4.79	3.63
Diluted / Adjusted	4.94	5.53	4.55	4.72	4.37	3.89	4.86	3.13	3.95	2.99
Net asset per share (₦)										
Actual	35.66	33.20	28.38	30.55	26.83	20.09	18.70	14.37	15.45	12.66
Diluted / Adjusted	35.66	33.20	28.09	25.20	22.14	20.09	18.70	14.23	12.75	10.44
Dividend per share (₦)										
Actual	–	2.50	0.40	2.00	2.00	–	2.50	2.00	2.00	2.00
Diluted / Adjusted	–	2.50	0.40	2.00	1.67	–	2.50	2.00	2.00	1.67
Dividend cover (times)	–	1.82	1.95	3.32	2.30	–	1.82	8.91	2.49	1.76

SHARE CAPITAL HISTORY

Year	Issued share capital nominal value		Paid-up share capital nominal value	
	Number of shares	₦	Number of shares	₦
1970	400,000	200,000	400,000	200,000
1972	1,800,000	900,000	1,793,200	896,600
1974	3,000,000	1,500,000	2,993,200	1,496,600
1976	4,000,000	2,000,000	4,000,000	2,000,000
1977	11,600,000	5,800,000	–	–
1978	24,000,000	12,000,000	24,000,000	12,000,000
1990	60,000,000	30,000,000	–	–
1991	–	–	48,000,000	24,000,000
1992	–	–	60,000,000	30,000,000
1993	90,000,000	45,000,000	90,000,000	45,000,000
1996	180,000,000	90,000,000	180,000,000	90,000,000
2000	225,000,000	112,500,000	225,000,000	112,500,000
2001	270,000,000	135,000,000	–	–
2005	345,000,000	172,500,000	300,000,000	150,000,000
2008	1,245,000,000	622,500,000	1,200,000,000	600,000,000
2014	1,600,000,000	800,000,000	1,320,000,000	660,000,000
2020			1,584,000,000	792,000,000
2021			1,600,000,000	800,000,000

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.
 The Companies and Allied Matters Act 2020 abolished the concept of "Authorized Share Capital" and retained "Issued Share Capital"

STAFF STRENGTH



Number of Staff Group Company

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

53rd 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 15, 2023, 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 53rd AGM of the Company to be held on June 15, 2023, 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 of appointment. However, if you so wish, you may insert in the space provided on the form the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf.
4. Please sign the above proxy form and post it so as to reach the Registrars, Greenwich Registrars & Data Solutions Ltd., 274 Murtala 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 S. 8, Laws of the Federation of Nigeria 2004, 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.

Shareholder Name

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

Proxy Name

Date (dd/mm/yyyy)

Shareholder's Signature

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

Nos.	Resolutions	For	Against
1.	To declare a dividend	<input type="checkbox"/>	<input type="checkbox"/>
2.	To elect Mr. Chidi Anya, Esq. as a Director	<input type="checkbox"/>	<input type="checkbox"/>
3.	To elect Amb. Adamu Saidu Daura, MFR as a Director	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect Mr. Ernest Chukwudi Ebi MFR, FCIB, FIOD, as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-elect Engr. Goni Musa Sheikh as a Director	<input type="checkbox"/>	<input type="checkbox"/>
6.	To authorise the Directors to fix the remuneration of Auditors	<input type="checkbox"/>	<input type="checkbox"/>
7.	To constitute the Statutory Audit Committee	<input type="checkbox"/>	<input type="checkbox"/>
8.	To fix the remuneration of Directors	<input type="checkbox"/>	<input type="checkbox"/>
9.	To approve the intra-group loan agreement between Julius Berger Nigeria Plc and Julius Berger International GmbH	<input type="checkbox"/>	<input type="checkbox"/>



Admission Card

Please admit the person named below at the 53rd AGM of Julius Berger Nigeria Plc to be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, FCT Abuja on Thursday, June 15, 2023, at 11:00 a.m. in the forenoon.

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

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 Murtala Muhammed Way
Ebute Metta 101 212
Lagos



Cut off from here.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT

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

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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' 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 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 authorised 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 have 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 or 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.

EXPLANATORY CIRCULAR TO SHAREHOLDERS REGARDING THE SPECIAL RESOLUTION TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Dear Shareholders,

Please find below details of a special business to be considered and transacted at the 53rd Annual General Meeting of Julius Berger Nigeria Plc (the "AGM").

Special business

In compliance with extant rules and regulations governing transactions with related parties or interested persons, at the AGM, shareholders shall be requested to consider the following special business and to pass as an ordinary resolution approving same.

Resolution for Approval of a Related-Party Transaction

"THAT the terms of the intra-group loan agreement ("The Agreement") with Julius Berger International GmbH, a wholly-owned subsidiary of Julius Berger Nigeria Plc and a related party within the meaning of s.310 of CAMA and Rule 20.3 of the Rulebook of the Nigerian Exchange Limited (Issuers' Rules) the particulars of which are reproduced in the Audited Reports and Consolidated Financial Statements 2022, be and are hereby approved, and that the Directors be and are hereby authorised to enter into, execute, perform and implement the Agreement, and undertake such other acts as may be necessary or desirable, supplemental or incidental to, and or required to give full effect to this resolution and the Agreement".

Explanatory Notes

In order to repay and refinance its existing obligations to Julius Berger International GmbH, meet its working capital needs and for other general corporate purposes, Julius Berger Nigeria Plc has decided, subject to relevant approvals, to obtain an unsecured loan facility from Julius Berger International GmbH (the "Agreement").

Key terms in the Agreement are, as follows:

- Principal: €30,000,000 (thirty million Euros)
- Tenor: eight (8) years
- Moratorium: twenty-four (24) month moratorium on interest payment
- Interest: 3-month EURIBOR + 3% per annum
- Interest Period: three (3) months or any other period agreed by the Parties
- Capitalized Interest: interest shall accrue during the moratorium period and be capitalized for payment at the expiration of the moratorium period
- Default Interest: 2% per annum.

For further information, kindly contact the Company Secretary at jbn.shareholders@julius-berger.com.

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

May 6, 2023



Julius Berger Nigeria Plc

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