JULIUS BERGER

Annual Reports 2013

and Financial Statements

Business Results 2013

Group Business

₦000	
Turnover	212,737,291
Profit Before Taxation	16,220,536
Taxes	(8,367,196)

Share Analysis

Based on 1.2 Billion ordinary shares of 50 Kobo each	
Earnings per Share (₦)	6.72
Net Assets per Share (₦)	17.53
Quote as at December 31, 2013 (₦)	72.29

Employees

Number	
	18,216

Integrated Solutions

Julius Berger's core business is construction. Additionally, the Company has the resources and structures to offer clients a wide range of related services, including design, engineering and procurement as well as operation and maintenance.

Julius Berger consistently delivers holistic solutions tailored to individual project needs. Vertically integrated operational structures enhance efficiency and timeliness of project execution. Furthermore, subsidiaries support the Company's ability to offer optimised services.

Multiservice Terminal Operation

Investment Management

Juliu
Investr

Julius Berger Services
Nigeria Ltd.

Engineering
Global Procurement
Technical Services

Julius Berger
International GmbH

Airports
Bridges
Railways
Roads
Water Systems

Infrastructure

Portfolio

Construction

Functional Buildings
Modular Buildings
Offices
Residences
Sports Complexes

Buildings

Industries

Facility Services

Harbours
Jetties
Plants & Factories
Power Stations
Warehouses

Inspection
Maintenance
Operation
Refurbishment
Renovation

Equipment

Construction Equipment
Land Transport
Marine Transport

Health Care Services

s Berger
ments Ltd.

Julius Berger
Medical Services Ltd.

Aluminum Manufacturing

ABUMET (Nigeria) Ltd.

Design & Engineering

PRIMETECH

Group

Facilities

Quarries

Aggregate Processing
Asphalt Production
Concrete Mixing
Material Testing

Resources

Workshops

Electrical Workshop
Engine Reconditioning
Plumbing
Repair Centers
Tire Remolding

Factories

Aluminum
Building Material
Furniture
Steel

Yards

Carpentry
Foamwork
Precast Fabrication
Scaffolding
Welding

Employees

18,216

Contents

Corporate Information

Directors

- AVM (Dr.) Mohammed Nurudeen Imam, CFR
  Chairman
- Engr. Heinz Stockhausen (German)
  Vice Chairman
- HRH Igwe Peter Nwokike Anugwu, JP, OFR
  Independent Director
- Engr. Jafaru Damulak
- Mr. Macdonald Olarinde Tubi
- Mr. Harold Samuel Tsumba, Esq.
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Mr. George Marks (German)
- Engr. Wolfgang Goetsch (Austrian)
  Managing Director
- Mr. Wolfgang Kollermann (German)
  Financial Director
- Mr. David Herron (Australian)
  Director Operations
- Alhaji Zubairu Ibrahim Bayi
  Director Administration

Company Secretary

Mrs. Cecilia Ekanem Madueke

Registration Number

6852

Registered Office

10 Shettima A. Munguno Crescent
Utako 900 108
Abuja FCT

Auditors

Akintola Williams Deloitte
(Chartered Accountants)
4th Floor Bank of Industries Building
Plot 256, Zone AO Cadastral
Off Herbert Macaulay Way
Central Business District
Abuja FCT

Registrars

Union Registrars Ltd.
2 Burma Road
Apapa
Lagos

Bankers

- Access Bank Plc
- Diamond Bank Plc
- First Bank of Nigeria Plc
- First City Monument Bank Plc
- Guaranty Trust Bank Plc
- United Bank for Africa Plc
- Zenith Bank Plc
- Ecobank Nigeria Plc
- Union Bank of Nigeria Plc

Results at a Glance

	Group 2013 ₦000	Group 2012 ₦000	Change %	Company 2013 ₦000	Company 2012 ₦000	Change %
Turnover	212,737,291	201,565,276	6	184,212,185	196,954,713	(6)
Profit before taxation	16,220,536	12,341,492	31	10,976,029	11,544,980	(5)
Profit after taxation	8,425,344	8,260,463	2	4,788,657	7,772,055	(38)
Profit attributable to equity holders of the parent	8,064,235	8,193,543	(2)	4,788,657	7,772,055	(38)
Non-controlling interest	361,109	66,920	440	–	–	–
Retained earnings	18,863,052	13,774,577	37	15,284,898	13,496,241	13
Share capital	600,000	600,000	–	600,000	600,000	–
Shareholders' funds	21,034,428	15,144,180	39	16,310,338	14,521,681	12

Per share data

Based on 1.2 Billion (2012: 1.2 Billion) ordinary shares of 50 Kobo each:

	Group 2013 ₦	Group 2012 ₦	Change %	Company 2013 ₦	Company 2012 ₦	Change %
Earnings per share						
Basic	6.72	6.83	(2)	3.99	6.48	(38)
Diluted	6.72	6.83	(2)	3.99	6.48	(38)
Net assets per share						
Basic	17.53	12.62	39	13.59	12.10	12
Diluted/Adjusted	17.53	12.62	39	13.59	12.10	12
Stock Exchange quotation at December 31	72.29	33.00	119	72.29	33.00	119
Number of employees	18,216	19,234	(5)	16,871	18,398	(8)

Notice of

Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of Julius Berger Nigeria Plc will be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, Abuja FCT, on Thursday, June 19, 2014, at 11:00 a.m., to transact the following business:

Ordinary Business

1. To lay before the Company in General Meeting, the Financial Statements for the period ended December 31, 2013, and the Report of the Auditors thereon, the Report of the Directors and the Report of the Audit Committee.

2. To declare a dividend.

3. To elect / re-elect Directors.
   Special notice is hereby given by the Company to the members in accordance with S 256 of the Companies and Allied Matters Act, Cap C 20, Laws of the Federation of Nigeria 2004 (CAMA) that the following resolution will be moved at the Meeting:

   "Mr. H.S.T. Tsumba, Esq. be re-elected a Director of the Company notwithstanding that he had attained the age of 70 years on January 15, 2014".

4. To appoint External Auditors.
   Special notice is hereby given, in accordance with S364 (1)(a) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (CAMA), that the following resolution will be moved at the Meeting:

   "From the date of this meeting, the firm of Messrs. Nexia-Agbo Abel & Co. be appointed as the External Auditors of the Company in place of Messrs. Akintola Williams Deloitte who would be retiring as the Company's auditors".

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

6. To elect shareholders' representatives in the Statutory Audit Committee.

Special Business

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

a) That the Directors' fees payable to each Director, save Executive Directors, until further notice, be and is hereby fixed at the sum of ₦2.7 Million (Two Million, Seven Hundred Thousand) for each Non-Executive Director save the Chairman, whose fees shall be fixed at the sum of ₦4.5 Million (Four Million, Five Hundred Naira), such payments to be made effective from the January 1, 2014.

b) That the authorised share capital of the Company be and is hereby increased from ₦622,500,000 (Six Hundred and Twenty Two Million, Five Hundred Thousand Naira) comprised 1,245,000,000 (One Billion, Two Hundred and Forty Five Million) ordinary shares of 50 Kobo (Fifty Kobo) each to ₦800,000,000 (Eight Hundred Million Naira) comprised 1,600,000,000 (One Billion and Six Hundred Million ordinary shares of 50 Kobo (Fifty Kobo) by the creation and addition of 355,000,000 (Three Hundred and Fifty Five Million) ordinary shares of 50 Kobo (Fifty Kobo) each, such new shares to rank pari passu in all respects with the existing ordinary shares in the share capital of the Company.

c) That in accordance with Article 109 of the Articles of Association of the Company (the “Articles”), the Directors be and are hereby authorised to capitalise the sum of ₦60,000,000 (Sixty Million Naira) out of the balance standing to the credit of the Retained Earnings of the Company, as at December 31, 2013, and available for distribution, and to appropriate the said capitalised sum to the members holding 1,200,000,000 (One Billion, Two Hundred Million) ordinary shares of 50 Kobo (Fifty Kobo) each in the capital of the Company and registered as at the close of business on May 30, 2014 (the “Transfer Date”) in the proportion of 1 (One) ordinary share of 50 Kobo (Fifty Kobo) each for every 10 (ten) ordinary shares of 50 Kobo (Fifty Kobo) each now held by them, on the conditions that the sum appropriated shall not be paid in cash but applied in paying up in full at par on behalf of such holders, 120,000,000 (One hundred and Twenty Million) ordinary shares of 50 Kobo (Fifty Kobo) each (the “Bonus Shares”) which Bonus Shares shall be issued and allotted, credited as fully paid up at par to those members in the proportion stated herein as at the Transfer Date and which Bonus shares shall rank parri passu in all respect with the existing ordinary shares of the Company except that such shares shall not rank for dividend recommended by the Directors in respect of the year ended December 31, 2013.

d) That the Directors be and are hereby authorised to deal with fractional shares resulting from the issuance of the Bonus Shares, as they deem fit.

e) That notwithstanding anything contained in the Articles, the Directors be and are hereby authorised to raise additional capital of up to ₦7,500,000,000 (Seven Billion Five Hundred Million Naira) through the issuance of any form of debt and/or equity instrument(s), whether by way of a public offering, private placement, rights issue or any other method(s) they deem fit, with or without preferential allotment(s), either locally or internationally, whether as a standalone transaction or by way of a programme, in such tranches, series or proportions, at such coupon or interest rates, within such maturity periods, at such dates and time and on such terms and conditions, including through a book building process or other process(es) and upon such terms and conditions all of which shall be as determined by the Directors.

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

8. To consider and if thought fit, pass the followings resolutions as special resolutions:

a) Without derogating from the generality of 7(e) above, and subject to obtaining the approval of the relevant regulatory authorities, the Directors be and are hereby authorised to issue up to 150,000,000 (One Hundred and Fifty Million) ordinary shares of 50 Kobo (Fifty Kobo) each in the authorised share capital of the Company to identified investor(s), by way of a special placement, at a price per share to be determined on the basis of the volume weighted average closing price derived from the Daily Official List of The Nigerian Stock Exchange over the 90 (ninety) day period immediately preceding the date on which the Company obtains the approval of the Securities and Exchange Commission ("SEC"),or such other price or pricing mechanics approved by the SEC and on such other terms and conditions, and at such time, as the Directors may deem fit.

b) That the Directors be and are hereby authorised to appoint such professional advisers and undertake such other acts as may be necessary or incidental to, and or required for, effecting the objectives set out above.

c) That Clause 6 of the Memorandum of Association and Article 3 of the Articles, respectively, be and are hereby amended to reflect the new authorised share capital of (₦800,000,000) comprised One Billion and Six Hundred Million (1,600,000,000) ordinary shares of 50 Kobo (Fifty Kobo) each.

d) That the Articles be amended by deleting the current Articles 108 and 112 of the Articles of Association and substituting therefore the following as the new Articles 108 and 112:

Article 108

A printed or electronic copy of every balance sheet (including every document required by law to be annexed thereto), which is to be laid before the Company in General Meeting, together with a copy of the Auditors' Report shall not less than 21 (twenty-one) days before the date of the Meeting be sent to every member and every holder of debentures of the Company and to every person registered under Article 20 as well as published on the Company's Website and two copies of each of these documents shall be sent to the Nigerian Stock Exchange. Provided that this Article shall not require a copy of these documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

Article 112

notice may be given by the Company to any member either personally, or by sending it by post to him at his last registered address or by sending it electronically to his last registered electronic address or by short message service to his last registered telephone details.

By order of the Board,

Cecilia Ekanem Madueke (Mrs.)
Company Secretary

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

May 12, 2014

Notes

Proxy

A member of the Company, entitled to attend and vote, is entitled to appoint a proxy to attend and vote in his stead. A proxy needs not be a member of the Company. A proxy form is contained in this Annual Reports and Financial Statements. If it is to be valid for the purpose of the Meeting, it must be completed, detached, duly stamped at the office of the Commissioner for Stamp Duties and deposited at the office of the Registrars, Union Registrars Ltd., 2 Burma Road, Apapa, Lagos, not later than 48 hours before the time appointed for holding the Meeting.

Closure of Register of Members and Transfer Books

The Register of Members and the Transfer Books will be closed from June 2, 2014 to June 4, 2014, both dates inclusive, for the purpose of dividend and scrip.

Appointment of Members of the Audit Committee

Any member may nominate a shareholder as a member of the 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 Annual General Meeting.

Full Version Annual Reports and Financial Statements

The full version of the Annual Reports and Financial Statements can be downloaded from the website of the Company at www.julius-berger.com.

Dividend Warrants

If the dividend recommended by the Directors is approved by the members, the dividend warrants will be issued on June 20, 2014, to those members whose names appear in the Register of Members, as at the close of business on May 30, 2014.

Special Notices

Mr. H.S.T. Tsumba, Esq. has given notice to the Company and by so doing hereby further discloses to members, that he attained the age of 70 years on January 15, 2014. Further, Messrs. Akintola Williams Deloitte has indicated that in keeping with best corporate governance practice, it would not seek reappointment as External Auditors of the Company.

Unclaimed Share Certificates and Dividend Warrants

The Company notes that some share certificates have been returned marked “unclaimed”. The Company notes further that some dividend warrants sent to shareholders are yet to be presented for payment.

Therefore, all shareholders with “unclaimed share certificates” or “unclaimed dividends” should address their claim(s) to the Registrars, Union Registrars Ltd., 2 Burma Road, Apapa, Lagos or to the Company Secretary at the address of the registered office.

Members are being urged to advise the Registrars or the Company Secretary of any change of address or situation, particularly as it relates to share certificates and warrants, as well as mandate their dividend and use the Central Securities Clearing System (CSCS).

A form has been provided for that purpose within this document.

"Global procurement coupled with precision engineering and construction deliver world-class solution"

Development of a Sports Complex

In Akwa Ibom State, Julius Berger is constructing a multipurpose sports complex with a total infrastructure area of 32 ha to accommodate 30,000 spectators. The world-class sports complex meets global standards for stadium architecture. The multipurpose development features complete athletics facilities, including an arena, football pitch and eight-lane track, along with other essential infrastructure that make a modern sports complex.

Construction of this iconic structure has been made possible through the integrated efforts of the Julius Berger Group.

Julius Berger International led the design and planning process, utilising state-of-the-art 5 D planning. This method is employed to simulate and test each construction phase, including 3 D modelling, allowing for early identification of possible issues and minimisation of challenges prior to the execution phase. In response to the client's request for a stadium with landmark character, a unique 18,000 m^2 eco-friendly façade of acrylic glass tiles was designed and tailor-made to fit Nigeria's environmental factors, including weather conditions specific to Akwa Ibom State.

Production of structural elements for this impressive stadium took place in Nigeria and several other countries, including Hungary, Austria and Germany. To optimise logistics and ensure proper tracking, embedded radio-frequency identification (RFID) chips are in use for electronic identification of precast elements. On-site, first-class engineering and construction are most crucial to the project's success. Handling of unique precast elements by custom-built vacuum lifters eliminate the use of fastening screws resulting in more durability, cleaner design and ultimately increased efficiencies in the construction process.

Moreover, assembly and installation of precast, steel and façade elements follow strict quality control guidelines to guarantee that the precise installation tolerance limit of less than 2 cm in each direction is met.

Corporate Profile

Julius Berger Nigeria Plc (Julius Berger) is a Nigerian company offering integrated construction solutions. The Company traces its operations back to the construction of Eko Bridge in 1965, a major infrastructure project in the megacity of Lagos – which still stands strong. Years of steady growth followed this pioneer project, during which Julius Berger grew to become the dynamic company it is today.

Julius Berger utilises state-of-the-art construction and management techniques to ensure that innovation and quality are prioritised for the benefit of clients. The Company delivers holistic solutions for infrastructure, industry and building works covering all project phases, including design and engineering, procurement, construction as well as operation maintenance. All projects are completed according to the highest standards for health, safety and environmental protection.

Julius Berger offers distinct advantages based on technical competence and Nigeria-specific knowhow. Success is built on the strategy of having vertically integrated operations, which augments efficiency and timeliness of project execution; subsidiaries support the Company's ability to offer a complete range of related services.

> "Julius Berger utilises state-of-the-art construction and management techniques to ensure that innovation and quality are prioritised for the benefit of clients"

International Organisation for Standardisation (ISO) certification demonstrates that the Company's management systems are well equipped to consistently meet clients' needs and that quality is continuously improved. Furthermore, the Company is a leader in sustainable construction, capable of developing green buildings certified to comply with the Leadership in Energy and Environmental Design (LEED) requirements.

Julius Berger is a brand that is unmistakably recognised throughout Nigeria, a brand that has built a track record of delivering the highest level of performance and a brand synonymous with quality and reliability. The Company's reputation of excellence is a result of unwavering commitments to research and development, the training of staff members, the use of progressive technologies and the establishment of collaborative partnerships with clients.

Chairman's Statement

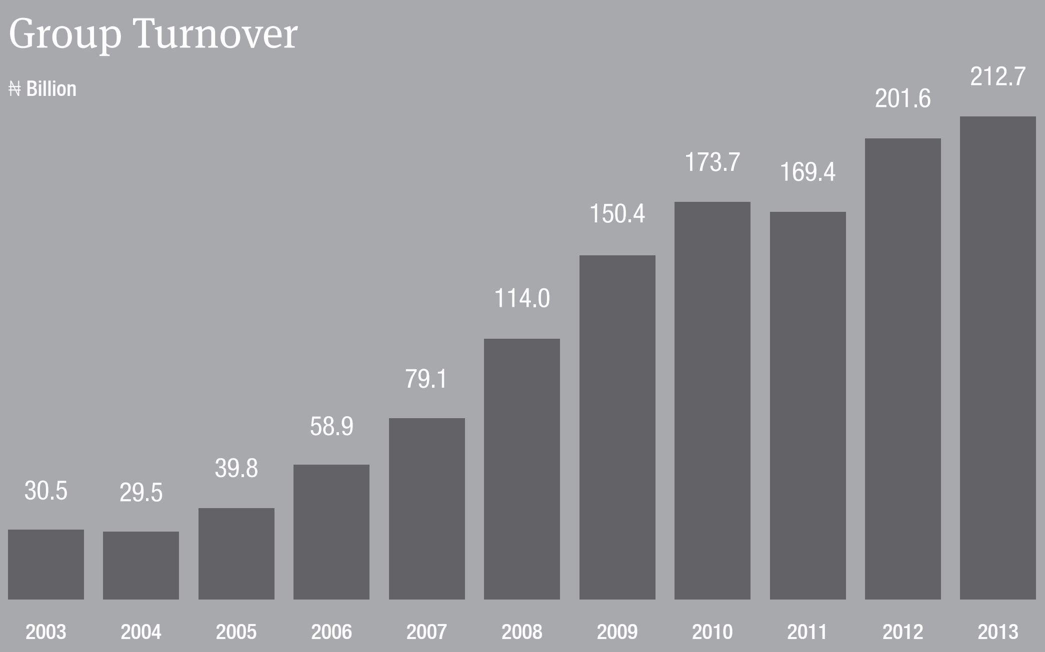
"The Board of Directors is pleased to recommend a dividend of ₦ 2.70 per each ordinary share and a bonus of one new ordinary share for every ten existing ordinary shares already held"

Distinguished Ladies and Gentlemen, valued Shareholders,

Julius Berger can proudly count 2013 as another successful year. Our Company saw both financial and strategic progress, while creating further value for our shareholders. This commendable achievement is a result of a number of key factors including well-controlled performance planning, stable cost structures and an unwavering commitment to our organisation's vision to be Nigeria's most dynamic construction company.

For the reporting year, consolidation of turnover and a prioritisation of profitability over growth remained fundamental components to our business strategy. Accordingly, in 2013 the Company experienced a decrease in turnover from 2012, within a normal range, while profitability remained stable.

Such healthy performance is attributed to the continued optimisation of our business structures and operational procedures as well as careful planning, resulting in greater efficiency and allocation of resources. As a company working in the premium sector of the construction industry, Julius Berger maintained its focus on complex projects, requiring the high technical competence and high quality resources that set our organisation apart. Significant investments



in the upgrading of equipment and industrial facilities, such as yards and quarries, further enhanced the effectiveness of our operations and ultimately had a positive impact on our productivity, leading to higher shareholder value and returns.

In this respect, the Board of Directors is pleased to recommend an increased dividend of ₦2.70, per ordinary share, resulting in a total gross dividend payment of ₦3.24 Billion; an improvement over that of the 2012 fiscal year, which was ₦2.50, per each ordinary share. The Board is also pleased to recommend a bonus issue of 1 (One) new ordinary share for every 10 (Ten) existing ordinary shares already held.

In our operations, we have achieved many challenging undertakings and met numerous milestones across our projects. We commissioned the Lekki–Ikoyi (Admiralty-Alexander) Link Bridge, West Africa's first cable-stayed bridge and completed works on some major and impressive projects including the Procter and Gamble Baby Care Expansion Facility, the Central Bank of Nigeria Branch Office in Lagos, the Bonny River Terminal Airstrip and the Lagos Oando Jetty. We have completed the Uyo Abak Road and several phases of the Uyo Government House; as a direct result of our positive performance and partnership, the lifespan of these projects continue to be prolonged through award of extensions.

Highlighted Projects

Completed Works

- River Terminal Airstrip, Bonny Island
- Central Bank of Nigeria Office, Lagos
- P&G Baby Care Expansion Facility, Agbara
- Oando Jetty, Lagos
- Uyo Abak Road, Akwa Ibom

Ongoing Works

- National Institute of Legislative Studies, Abuja
- Rehabilitation and Expansion of Airport Expressway, Abuja
- Early works, 2nd River Niger Bridge, Asaba/Onitsha
- Rose of Sharon Building, Lagos
- Nestoil Tower, Lagos
- Edo Cement Plant, Okpella
- Isaac Boro Road, Yenagoa
- Akwa Ibom Stadium Complex, Uyo
- Uyo Ring Road III, Akwa Ibom
- Abak River Bridge, Akwa Ibom
- Uyo–Ikot Ekpene Road Phase I & II, Akwa Ibom
- Railway Completion Ajaokuta to Warri

We have substantially progressed on construction of the Akwa Ibom Stadium Complex, the Edo Cement Plant, the Nestoil Tower, as well as the Rose of Sharon Building. We broke ground on the National Institute of Legislative Studies project and we continue to progress on the reconstruction of the Airport Expressway, despite challenges presented as a result of low budget performance and other serious impediments. Reinforcing our diversification goals, we have returned to Bayelsa to undertake a number of key infrastructure projects despite the huge challenges in the area. Furthermore, we have recently commenced early works on the long awaited construction of the Second River Niger Bridge. We have also won awards for projects in other areas, including the Apapa–Oshodi Expressway, the long overdue Lagos–Shagamu–Ibadan Dual Carriageway as well as numerous other projects in Akwa Ibom State. Moreover, we won our first maintenance contract in Lagos area: facility management of the Access Bank Headquarters building, which is important as a stepping stone for the expansion of facility management services provided by our Company.

The identification and exploration of new opportunities have continued to be vigorously pursued through our Business

New Awards

- 2nd River Niger Bridge, Asaba / Onitsha (Preferred Bidder)
- New Residences for Presiding Officers of the NASS, Abuja
- Lagos–Ibadan Dual Carriageway, Section 1, Lagos–Shagamu
- Apapa–Oshodi Expressway Section 2, Phase II, Lagos
- Upgrading Apapa Roads Phase III, Lagos
- Dualisation Isaak Boro–Oxbow Lade Road, Yenagoa
- EPCC of Marine Control Building NLNG, Bonny Island
- Revamp of Atlas Cove Depot Facilities, Lagos
- Facility Services, Access Bank, Lagos
- National Assembly Phase III, Part 3, Abuja

Development activities. The Company is diversifying and delving into other business areas as a deliberate policy objective. In this respect, project identification and prospective business potentials in the power, oil and gas as well as the private sector are currently under due diligence. Furthermore, we successfully entered the Public Private Partnership (PPP) market and have already been selected as preferred bidder for the Second River Niger Bridge project, under the PPP arrangement.

In 2013, we continued to nurture the development of the Julius Berger group of companies, as a means to support provision of integrated construction solutions. PrimeTech Design and Engineering Nigeria Ltd. and Julius Berger Medical Services Ltd., both in initial years of operation, have made progress in their structural and recruitment processes. Julius Berger Services Nigeria Ltd. remained an essential arm in our logistical value chain and also achieved 26 % third party business representation. In the reporting year, our Company acquired more share capital in Abumet Nigeria Ltd., raising shareholding to 90 %; this meets the objective of broadening our financial basis and strengthening our ability to provide turnkey building solutions. Julius Berger International GmbH (JBI), in Germany, con-

“Julius Berger has successfully renewed its ISO Certification, proof that our Company’s management systems are well equipped to consistently meet clients’ needs and that quality is continuously improved”

tinued showing strong performance in their function as a key collaborator for planning, design and engineering in addition to logistical support for our business in Nigeria.

Consistent with our pledge to ensure the health and safety of all employees, subcontractors or contractual partners, as well as the people and environment touched by our organisation’s sphere of activity, Health, Safety and Environment (HSE) remained a vital aspect of our operations. Throughout the year we carried out Corporate Social Responsibility activities in key areas of social improvement. Julius Berger provided materials and equipment to support and promote education, with a focus on literacy improvement. The Company also made significant contributions in the health sector by providing required support to medical centres, family support units and organisations. Furthermore, in response to several emergency situations throughout the country, Julius Berger assisted relief efforts through response and aid services.

I am proud to mention that this year, similar to previous years, our Company has again been recognised for its various accomplishments, including our unmatched contribution to the technological developments and economic growth of the Nigerian economy. For instance, in 2013, The Nigerian Society of Engineers presented Julius Berger the golden award for proficiency in partnership on infrastructure development. Consideration for award was based on Julius Berger’s high level of knowhow and advanced technical competence in the execution of works in Nigeria, with particular reference to Akwa Ibom projects. Qualities such as supreme records of delivery, standard quality, capacity building, reliability, excellent performance as well as high standards in Health, Safety and Environment were well highlighted and appreciated. Such recognition reinforces our leadership in the construction sector in Nigeria.

I am also pleased to share that Julius Berger has successfully renewed International Organisation for Standardisation (ISO) certification, proof that our Company’s management systems are well equipped to consistently meet clients’ needs and that quality is continuously improved – one of the hallmarks of our success. Our Company continues to be the only civil engineering firm in Nigeria able to construct eco-friendly buildings certified to comply with the Leadership in Energy and Environmental Design (LEED) and other international green building requirements.

Research and development activities resulted in major advances for road construction, including the pioneering of a new asphalt design fit to the environmental conditions of Nigeria, setting a trend that will improve the future of asphalt road construction in the country.

While our Company maintained a robust project portfolio in 2013, delayed payments presented enormous hurdles and challenges. In addition, an abundance of administrative bodies on both the state and federal level continue to create a complex bureaucratic environment. Navigating this complicated setting and readjusting processes to ensure compliance is a challenge that continues to consume considerable resources.

As you will find in further detail throughout this Annual Report, Julius Berger achieved a high level of performance and operational efficiency in 2013. To provide the resources to build on this success and to achieve our long term goals, the Board of Directors is recommending an increase in share capital of the Company, the resolutions for which are stated in the Notice of Meeting.

Strategic targets for 2014 will focus on further diversification of our client portfolio, as a means to mitigate cluster risk and better serve all sectors of the economy. Business development efforts will be enhanced; due diligence will continue to be carried out in key areas of opportunity, especially in regards to alternative financing models such as Public Private Partnership (PPP) and Build-Operate-Transfer (BOT). We will continue to modernise administrative, engineering and operational departments and implement cost control measures that will optimise the functioning of our Company. We will ensure that capacity building, through investments in the professional development of staff across all functions and operations, takes precedence, as a means of reinforcing the specialised know-how needed to deliver quality work and superiority in performance. Based on a high order backlog and a substantial number of projects under negotiation, 2014 is projected to have a very positive outlook, with a slight increase in turnover envisage keeping profitability in existing range.

Esteemed Shareholders, as you all know, Nigeria retains enormous potential. As Africa's second largest economy, the rapidly developing nation is a focal point for not only Nigerians, but also international investors interested in the continent. Such investors are looking for a dynamic partner that can deliver superior quality work to global standards and is able to offer customised solutions based on country specific knowhow. I believe that our business model, operational strategies and Company values make us a first choice contractor for such potential clients. Julius Berger's leadership in the construction sector is not by chance; each and every day there are challenges to the continued success of our Company. It is only through effective risk assessment, proactive management and an immense amount of hard work that we are able, year after year, to proudly announce our sustained high performance in both high quality projects and profits.

I am confident in the capability and zeal of our brand to overcome potential challenges and make the most of profitable opportunities. I strongly believe that with the strength of our Management and your unwavering support, Julius Berger will continue to surpass achievements year-on-year.

Thank you,

AVM (Dr.) M. Nurudeen Imam, CFR
Chairman of Julius Berger Nigeria Plc
FRC/2014/NSE/00000006483

"Technical expertise and specialised knowhow guarantee high quality solutions"

Development of a High-Rise Building

In the bustling megalopolis of Lagos, Julius Berger is constructing a 13-storey mixed-use building, featuring a basement level for parking and technical facilities. The high-rise structure includes ancillary facilities, such as swimming pool, generator house and a detached four-storey residence.

Construction of this elaborate tower, inclusive of a subterranean level, in an area defined by water-logged and marshy terrain and bordered by ocean side property, requires the collective skills of Julius Berger's engineering, architectural and structural design experts as well as the practised knowhow of the Company's geotechnical specialists. Due to sub-optimal soil conditions, extensive soil investigations were carried out to calculate the required pile foundation. Furthermore, the application of waterproofing technology is an essential component to this project. The challenge of constructing a watertight basement for the underground car park required the use of specialised cement to considerably reduce the risk of crack development in the massive structural concrete components. Additionally, carbon fibre reinforcement was utilised to further strengthen the basement.

On-site, close coordination and planning with the Company's support facilities ensures the right solution is found for each project need. Integration of Julius Berger's multiple resource and service units provide for an efficient work flow and timely execution. Julius Berger's mechanical/technical department provided efficient solutions for the transport and mobilisation of huge equipment within the densely populated area of the project site. Additionally, customised windows and louvres were produced by Julius Berger's subsidiary Abumet Nigeria Ltd., while railings and other pre-cast components were produced in the Company's facilities.












Directors' Profiles

Photographs in order from top left to bottom right

AVM (Dr.) Mohammed Nurudeen Imam, CFR
psc, usawc, FSS, LLD (HC)
- Appointed Chairman on September 2, 2008
- Appointed Director on January 11, 1999

Member of the Nigerian Society of Engineers | Chairman of the Bayero University Kano Development Board and the Monument Group of Companies Ltd. | Member of the Boards of Governors of Dowen College, Lagos and Prime College, Kano

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

Managing Director of Bilfinger Berger Nigeria GmbH, Germany

Engr. Wolfgang Goetsch (Austrian)
Diplom-Ingenieur (Graduate Civil Engineer)
- Appointed Managing Director with effect from October 15, 2007
- Appointed Director on October 12, 2007
- Joined Julius Berger on July 1, 1991

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

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

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

Mr. David Herron (Australian)
BE (Civil Engineering)
- Appointed Director and Director Operations with effect from January 1, 2013
- Joined Julius Berger on January 3, 2007

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

Director of Julius Berger Services Nigeria Ltd.

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

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

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

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

Mr. Macdonald Olarinde Tubi
BA (Advertising /Design), MSc (Communication), MBA (Marketing / Management)
- Appointed Director on September 26, 2011

Member of the Society for Human Resource Management, USA, and the Philadelphia Human Resource Planning Group, USA | Managing Partner of BaileyCole Consulting | Chairman of Julius Berger Investments Ltd.

Mr. Harold Samuel Tsumba, Esq.
LLB (Hons), BL
- Appointed Director on December 8, 2011

Principal partner in the firm of Tsumba & Tsumba, Legal Practitioners | Chairman and Chief Executive Officer of Taj Holdings Ltd. and CBC West Africa Ltd.

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

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

Mr. George Marks (German)
Bachelor of Business Administration, DSc (HC)
- Appointed Director with effect from January 1, 2013

Managing Director of Julius Berger International GmbH (Germany) | Director of Centenary City Plc

Reports to Shareholders

for the Year Ended December 31, 2013

Directors' Report

The Directors are pleased to present to the members of Julius Berger Nigeria Plc (the "Company") at the 44th Annual General Meeting their report on the business of the Company and its subsidiaries ("Julius Berger" or the "Group") for the year ended December 31, 2013.

1. Legal Form

The Company was incorporated in Nigeria under the Companies Act 1968, now CAMA, as a private limited liability company on February 18, 1970. The Company subsequently converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange 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 6 (six) subsidiaries, with their principal activities stated as follows:

Subsidiary	Principal Activities and Business	Date of Incorporation	Percentage Holding
Abumet Nigeria Ltd.	Manufacturers and dealers in aluminum, steel, iron or other structural products of such nature	June 15, 1990	90%
Julius Berger Services Nigeria Ltd.	Providers of ports services, stevedores, cargo superintendents, port management, warehousemen, agents and proprietors of warehouses	August 30, 2006	100%
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%
PrimeTech Design and Engineering Nigeria Ltd.	Engineers, planning, design, development construction and maintenance of engineering works and products of all description	August 22, 2011	100%
Julius Berger Investments Ltd.	Investment Company and Managers	June 1, 2012	100%
Julius Berger International GmbH	Providers of logistical and technical support on an international level.	June 24, 2008	90%

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

Group Results	2013 ₦000	2012 ₦000
Turnover	212,737,291	201,565,276
Profit attributable to Group activities	8,425,344	8,260,463
Retained Earnings	18,863,052	13,774,577

3. Results for the Year

Comparative highlights of the operational results of the Group for the years ended December 31, 2013 and 2012 are as stated in the table above.

4. Review of Business Development

In the year under review, Julius Berger, in the opinion of the Directors, performed satisfactorily.

We are also pleased to report that in the year under review, Julius Berger increased its equity holding in Abumet Nigeria Ltd. from 70 % to 90 %.

Save as herein disclosed, no other events have occurred since the year ended December 31, 2013, which would affect the Financial Statements.

5. Dividends

5.1 Dividend

The Directors are pleased to recommend to the members at the 44th Annual General Meeting, a final dividend for the year ended December 31, 2013, in the sum of ₦3.2 Billion representing ₦2.70 per 50 Kobo share, held in the equity of the Company which dividend shall be subject to withholding tax at the appropriate rate at the time of payment.

5.2 Scrip

The Directors are pleased to recommend to members, in addition to the declaration of dividend, the capitalisation of the sum of ₦60,000,000.00K (Sixty Million Naira) from the Retained Earnings to be distributed as fully paid-up ordinary shares to existing shareholders, whose name appears in the Register of Members as at the close of business on May 30, 2014 in the proportion of 1 (One) new ordinary share for every 10 (Ten) existing ordinary shares held by them.

5.3 Unclaimed dividends and share certificates

The lists of shareholders who have either unclaimed dividends or share certificates have been compiled and are attached with this document. Shareholders who find their names on the lists and have claimed their dividend(s) or share certificate(s) since December 31, 2013, should kindly ignore the attached lists. However, shareholders who are yet to claim their unclaimed dividend(s) or share certificate(s) should contact the Company Secretary or the Registrars, Union Registrars Ltd.

6. Directors and Directors' Interest and Shareholding

6.1 Board of Directors in 2013

The Directors who served on the Board for the year ended December 31, 2013 were as follows:

- AVM (Dr.) Mohammed Nurudeen Imam, CFR
- Engr. Heinz Stockhausen (German)
- HRH Igwe Peter Nwokike Anugwu, JP, OFR
- Engr. Jafaru Damulak
- Engr. Wolfgang Goetsch (Austrian)
- Mr. Wolfgang Kollermann (German)
- Mr. Macdonald Olarinde Tubi
- Mr. Harold Samuel Tsumba, Esq.
- Dr. Ernest Nnaemeka Azudialu-Obiejesi
- Mr. David Herron
- Alhaji Zubairu Ibrahim Bayi
- Mr. George Marks

6.2 Directors for re-election

Mr. Macdonald Olarinde Tubi, Mr. Harold Samuel Tsumba, Esq. and Dr. Ernest Nnaemeka Azudialu-Obiejesi are the Directors retiring by rotation, in accordance with the provisions of S 259 of CAMA and the Articles of Association. Mr. Macdonald Olarinde Tubi, Mr. Harold Samuel Tsumba, Esq. and Dr. Ernest Nnaemeka Azudialu-Obiejesi all being eligible, offer themselves for re-election. Special notice is hereby given, pursuant to S 256 of CAMA, in respect of Mr. H. S. T. Tsumba, Esq., who is over 70 (seventy) years old and is being proposed for re-election as a Director.

6.3 Directors' interest

For the purposes of S 275, 276 and 277 of CAMA and in compliance with the listing requirement of the Nigerian Stock Exchange

- some Directors gave notices of disclosable interest in some contracts in which the Company was involved
- 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 31.

7. Share Capital and Shareholding

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

Number of Directors' Direct and Indirect Holdings as at	March 19, 2014	December 31, 2013	December 31, 2012
AVM (Dr.) Mohammed Nurudeen Imam, CFR	711,258	711,258	711,258
Engr. Heinz Stockhausen	–	–	–
HRH Igwe Peter Nwokike Anugwu, JP,OFR	80,000	80,000	80,000
Engr. Jafaru Damulak	1,800,772	1,800,772	1,800,772
Mr. Macdonald Olarinde Tubi	–	–	–
Mr. Harold Samuel Tsumba, Esq.	27,500	27,500	27,500
Dr. Ernest Nnaemeka Azudialu-Obiejesi – Indirect	148,297,816	148,297,816	147,297,816
Mr. George Marks	–	–	–
Engr. Wolfgang Goetsch	–	–	–
Mr. Wolfgang Kollermann	–	–	–
Mr. David Herron	–	–	–
Alhaji Zubairu Ibrahim Bayi	379,200	379,200	251,500

7.1 Authorised share capital

The authorised share capital of the Company is ₦622.5 Million made up of 1.245 Billion ordinary shares of 50 Kobo each.

7.2 Issued and fully paid share capital

The issued and paid-up share capital of the Company currently is ₦600 Million made up of 1.2 Billion ordinary shares of 50 Kobo each. The share capital history of the Company is stated on page 141.

Beneficial Ownership	Number of Ordinary Shares Held as at March 19, 2014	Percentage Holdings as at March 19, 2014	Number of Ordinary Shares Held as at Dec. 31, 2013	Percentage Holdings as at Dec. 31, 2013	Percentage Holdings as at Dec. 31, 2012
Bilfinger SE	400,420,072	33.4 %	400,420,072	33.4 %	39.9 %
Watertown Energy Ltd.	120,000,000	10.0 %	120,000,000	10.0 %	10.0 %
Goldstone Estates Ltd.	78,000,000	6.5 %	78,000,000	6.5 %	0.0 %
Ibile Holdings Ltd.	66,000,000	5.5 %	66,000,000	5.5 %	5.5 %
Benue Investment and Property Company Ltd.	62,191,358	5.2 %	62,191,358	5.2 %	5.2 %
Other Nigerian Citizens, Associations and Governments	473,388,570	39.4 %	473,388,570	39.4 %	39.4 %
Total	**1,200,000,000**	**100.0 %**	**1,200,000,000**	**100.0 %**	**100.0 %**

7.3 Beneficial ownership

The issued and paid-up share capital of the Company, as at December 31, 2013, and March 19, 2014, when the Financial Statements were approved, were beneficially held as stated in the table above.

7.4 Free float

The free float analysis of the issued and paid-up share capital of the Company, as at December 31, 2013, and March 19, 2014, when the Financial Statements were approved, is as follows:

Free Float	Number of Ordinary Shares Held as at March 19, 2014	Percentage Holdings as at March 19, 2014	Number of Ordinary Shares Held as at Dec. 31, 2013	Percentage Holdings as at Dec. 31, 2013	Percentage Holdings as at Dec. 31, 2012
Strategic Shareholding	956,289,379	79.7 %	956,289,379	79.7 %	77.1 %
Directors' direct Shareholding	2,998,730	0.2 %	2,998,730	0.2 %	0.3 %
Staff Schemes	–	–	–	–	–
Free Float	240,711,891	20.1 %	240,711,891	20.1 %	22.6 %
Total	**1,200,000,000**	**100.0 %**	**1,200,000,000**	**100 .0 %**	**100 .0 %**

7.5 Share range analysis

Share Range as at December 31, 2013	Number of Shareholders	Percentage of Shareholders	Number of Units Held	Percentage Shareholding
1 – 500	1,783	17.7 %	406,376	0.0 %
501 – 1000	1,114	11.0 %	872,698	0.1 %
1,001 – 5,000	3,317	32.8 %	8,520,627	0.7 %
5,001 – 10,000	1,724	17.1 %	12,038,096	1.0 %
10,001 – 25,000	1,084	10.7 %	16,612,467	1.4 %
25,001 – 100,000	843	8.3 %	39,028,257	3.3 %
100,001 – 500,000	172	1.7 %	35,382,213	2.9 %
500,001 – 1,000,000	24	0.3 %	16,903,359	1.4 %
1,000,001 – and above	42	0.4 %	1,070,235,907	89.2 %
Total	**10,103**	**100.0 %**	**1,200,000,000**	**100.0 %**

Corporate Social Responsibility Initiatives	₦
Literacy Campaign	2,500,000
NIBUCAA Peer Mentoring Workshop	500,000
Malaria Prevention Campaign	8,000,000
Art & Culture Workshops	4,500,000
Training of Emergency Escavator Operators for NEMA	750,000
Total	**16,250,000**

8. Property, Plant and Equipment (PPE)

Significant movements in properties, plants and equipments constituting the PPE of the Group during the year are indicated in Note 14 on pages 105 to 106. In the opinion of the Directors, the market value of the properties, plants and equipments is not less than the value shown in the accounts.

9. Donations and CSR Initiatives

During the year 2013, the Company undertook Corporate Social Responsibility (CSR) initiatives shown in the table above and made donations shown in the table on page 35 valued at ₦35.5 Million (2012: ₦43.6 Million).

No donation was made to any political party.

10. Research and Development

Julius Berger invests in research and development in order to enhance its design, planning, execution, construction and local engineering capabilities to deliver on client requisitions innovatively. Julius Berger would ensure that it continues to lead in all phases of construction and engineering technology in Nigeria by continuously researching into new methodologies, designs, products and services.

11. Technical Service and Knowhow Agreement

The Company has a valid and subsisting Technical Services Agreement with Julius Berger International GmbH, which is registered with the National Office for Technology Acquisition and Promotion (NOTAP).

Donations	₦
International Women's Association	100,000
LSG Grassroot Soccer	1,000,000
Port Harcourt Sports Festival	1,000,000
Kanu Heart Foundation	2,640,000
IBB Golf Club	1,800,000
Fortunate Special School	500,000
Nigerian Academy of Engineering	1,220,000
ZAINAB Medical Community Development Service Group	110,000
UNILAG Engineering Society	200,000
ANIKANTAMO Health Center Lagos	500,000
ILUPESI Community Hall	500,000
Federation of Construction Industry	1,000,000
The Nigeria Cup 2013	500,000
Nigerian Institute of Civil Engineers	200,000
Embassy of the Czech Republic	250,000
Association National Accountants of Nigeria	500,000
Save Hearing Impaired Foundation	100,000
Chartered Institute of Taxation of Nigeria	500,000
Abuja Metropolitan Music Society	2,000,000
NESREA Flood Prevention	695,000
National Society of Mechanical Engineers	200,000
Jos Repertory Theatre	100,000
Awujale Palace Funds	1,000,000
Lagos Tennis Club	500,000
Association of Consult Architect	500,000
Nigerian Bar Association	250,000
Nigerian Society of Engineers	750,000
Trinidad and Tobago High Commission	150,000
Nigerian – German Business Organisation	500,000
Total	**19,265,000**

12. Suppliers

The significant suppliers to the Company domestically and internationally are:

- Julius Berger International GmbH
- Flour Mills of Nigeria Plc
- Moraga Mortain Nigeria Ltd.
- Abumet Nigeria Ltd.
- Dangote Cement Industries Ltd.
- Samofaz Nigeria Ltd.
- Tabson Nigeria Ltd.
- Wabeco Ltd.
- Apex Paint Ltd.
- Ringardas Nigeria Ltd.
- Asca Bitumen

13. Post Year End Events

Save as disclosed, there were no significant post year end events that could have had a material effect on the Financial Statements for the year ended December 31, 2013, which has not been adequately provided for.

14. Human Capital Management

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

14.1 Employment of physically challenged persons

Julius Berger prohibits discrimination of physically challenged persons in the consideration of applications for employment as well as the treatment of staff in employment. As at December 31, 2013, there were 46 physically challenged persons employed by the Group.

14.2 Health and safety at work and welfare of employees

Julius Berger, in view of the nature of its businesses, places a high priority on the health, safety and welfare of its employees as well as all its visitors in all aspects of its operations. To this end, there is a strict observance of health and safety policies and structures.

The Group provides medical attention, in accordance with the welfare schedule agreed with the operating domestic workers unions as well as the provisions of the National Health Insurance Scheme Act CAP N42, Laws of the Federation of Nigeria 2004, to all staff and their immediate families comprising a spouse and four children.

The Group is in compliance with the provisions of the Pensions Reform Act of 2005.

14.3 Involvement and training

The Group engaged its consultation machinery for the dissemination of information and involvement in matters concerning the staff and corporate affairs.

The Group is further engaged in the training and education of its staff. Training is the key to retention of skills and expertise within the Group.

15. Audit Committee

The members of the Statutory Audit Committee, appointed at the Annual General Meeting held on June 20, 2013, in accordance with S 359 (3) of CAMA were:

- Sir Sunday Nnamdi Nwosu, KSS, Chairman
- HRH Igwe Peter Nwokike Anugwu, JP, OFR, Member
- Brig. Gen. Emmanuel Ebije Ikwue, GCON, Member
- Mr. Wolfgang Kollermann, Member
- Chief Timothy Ayobami Adesiyan, Member
- Mr. Macdonald Olarinde Tubi, Member

The Committee met in accordance with the provisions of S 359 of CAMA and will present its report.

16. Auditors

The Auditors, Messrs. Akintola Williams Deloitte have indicated, in line with Paragraph 33.2 of the provisions of the Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission ("SEC") in April 2011, that they would be retiring as the Company's Auditors. A resolution will be proposed appointing the firm of Messrs. Nexia-Agbo Abel & Co and 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 and the regulations of the Nigerian Stock Exchange and the Securities and Exchange Commission (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 Code and the regulatory requirements of the Regulators.

By order of the Board,

Cecilia Ekanem Madueke (Mrs.)
Company Secretary

March 19, 2014

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

“Proactive research and development results in innovative and sustainable solutions”

Expansion of a Central Highway

Julius Berger is currently undertaking the rehabilitation and reconstruction of the 43.6km stretch of the Lagos–Shagamu portion of the Lagos–Ibadan Expressway. The project includes reconstruction of the highway to three lanes in both directions, as well as maintenance and construction of several bridges and flyovers.

As a main artery of Nigeria's road network, the vital expressway withstands a heavy volume of vehicle traffic with high axle loads.

Construction requires a sustainable solution reflective of the general environmental and specific traffic related needs of the dual carriageway. Utilising its international network of specialists, Julius Berger, together with Julius Berger International GmbH, carried out a parameter study to establish baselines for the development of an enhanced asphalt design. As a result, a new and improved asphalt mix-design was formulated to optimise the rutting resistance and durability of the road. To further improve long-term performance, the expressway will feature an extra asphalt base course with a thickness of 15cm, in addition to the two asphalt layers made of a binder and wearing course, which are standard for road construction in Nigeria.

On-site, the Company has set-up an asphalt production plant and a bitumen mixing plant for self-production of the approximately 16,000t of customised polymer modified bitumen. Extensive road deviations are constructed to allow works to proceed with minimal effect to the road users. This requires thorough planning to ensure access to the local business along the highway is maintained at all times, to preserve the livelihood of local commerce and the overall economic activities of the country.

Improvements in construction methods for the project result not only in a long lasting solution for the Lagos–Ibadan Expressway, but also provide for major advances in road construction standards in Nigeria.

Corporate Governance

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

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

1. The Board of Directors

The Board of Directors (the "Board") is made up of eight Non-Executive Directors, one of whom is an Independent Director and four Executive Directors. Profiles of the Directors, in particular the Directors standing for election and re-election, are stated on page 25 in this document.

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

The Board met four times in the financial year 2013. Attendance by the Directors was as follows:

Director	Designation	Number of Board Meetings attended
AVM (Dr.) Mohammed Nurudeen Imam, CFR	Chairman	4
Engr. Heinz Stockhausen	Vice Chairman	4
Engr. Wolfgang Goetsch	Managing Director	4
Mr. Wolfgang Kollermann	Financial Director	4
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Independent Director	4
Engr. Jafaru Damulak	Director	4
Mr. Macdonald Olarinde Tubi	Director	4
Mr. Harold Samuel Tsumba, Esq.	Director	4
Dr. Ernest Nnaemeka Azudialu-Obiejesi	Director	4
Mr. George Marks	Director	4
Mr. David Herron	Director Operations	4
Alhaji Zubairu Ibrahim Bayi	Director Administration	4

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

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

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

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

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

1.1 Risk and Asset Management Committee (Formerly Project Review And Logistics Committee)

This committee is responsible for:

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

This committee met three times in the financial year ended December 31, 2013. The membership of the committee and the attendance by members at meetings were as follows:

Risk and Asset Management Committee	Designation	Number of Committee Meetings attended
AVM (Dr.) Mohammed Nurudeen Imam, CFR	Chairman	3
Mr. George Marks (appointed to the committee with effect from June 19, 2013)	Member	2
Mr. Macdonald Olarinde Tubi (appointed to the committee with effect from June 19, 2013)	Member	2
Engr. Wolfgang Goetsch	Member	3
Mr. Wolfgang Kollermann	Member	3

Board Audit Committee	Designation	Number of Committee Meetings attended
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Chairman	4
Engr. Jafaru Damulak	Member	4
Mr. Harold Samuel Tsumba, Esq.	Member	4

Remuneration Committee	Designation	Number of Committee Meetings attended
Engr. Heinz Stockhausen	Chairman	3
Engr. Jafaru Damulak	Member	3

1.2 Board Audit Committee

This committee is responsible for:

- the review and integrity of financial statements of the Company, including the annual, half-year and quarterly reports and accounts
- the review and implementation of the Company's internal control and financial control systems and approved policies
- ensuring that the internal audit function of the Company is established and objective
- overseeing the risk management systems
- the review of the whistle blowing structures and policies of the Company
- the review and approval of the Company's corporate social responsibility obligations
- the oversight of related party disclosures

This committee met four times in the financial year ended December 31, 2013. The membership of the committee and the attendance by members at meetings were as stated on page 42.

1.3 Remuneration Committee

This committee is responsible for:

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

This committee met three times in the financial year ended December 31, 2013. The membership of the committee and the attendance by members at meetings were as stated on page 42.

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

2. Statutory Audit Committee

This committee is a statutory creation, established in strict compliance with S 359(3) of CAMA and whose role has been expanded by the expectations of the Code.

The committee's responsibilities are also stated in S 359 of CAMA.

Membership of the committee is comprised of three shareholders and three directors who were appointed for the financial year 2013 at the Annual General Meeting held on June 20, 2013.

This committee met three times in the financial year ended December 31, 2013. The membership of the committee and the attendance by members in the financial year ended December 31, 2013, were as stated on page 45.

The chairman of this committee is always a shareholder.

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

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

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 2013, the members met in Annual General Meeting on June 20, 2013. 192 shareholders, 50 proxies and 148 observers, representatives of Regulators and members of the Press were present at the Meeting. Attendance by the Directors was as stated on page 45.

4. The Management

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

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

Statutory Audit Committee	Designation	Number of Committee Meetings attended
Chief Timothy Adesiyan – Chairman until July 24, 2013	Chairman	3
Sir Sunday Nnamdi Nwosu, KSS – Chairman with effect from July 24, 2013	Chairman	3
Brig. Gen. Emmanuel Ebije Ikwue, GCON	Member	3
HRH Igwe Peter Nwokike Anugwu, JP, OFR	Member	3
Mr. Macdonald Olarinde Tubi	Member	3
Mr. Wolfgang Kollermann	Member	3

Attendance of Directors at Shareholder Meeting	June 20, 2013
AVM (Dr.) Mohammed Nurudeen Imam, CFR	▪
Engr. Heinz Stockhausen	▪
Engr. Wolfgang Goetsch	▪
Mr. Wolfgang Kollermann	▪
HRH Igwe Peter Nwokike Anugwu, JP, OFR	▪
Engr. Jafaru Damulak	▪
Mr. Macdonald Olarinde Tubi	▪
Mr. Harold Samuel Tsumba, Esq.	▪
Dr. Ernest Nnaemeka Azudialu-Obiejesi	▪
Mr. George Marks	▪
Mr. David Herron	▪
Alhaji Zubairu Ibrahim Bayi	▪

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

Corporate Social Responsibility

“Julius Berger actively seeks opportunities to add measurable value in communities”

Julius Berger believes its duty is to contribute to the development of Nigeria in the interest of its people. The Company takes into account the sustainable impact of its actions and actively seeks opportunities to foster social improvement. Corporate Social Responsibility (CSR) programmes in the areas of health, education and youth sports aim to positively affect the welfare of communities. Julius Berger regularly provides support when social services have reached the limits of their capacities, including fire service or emergency response.

Julius Berger also takes on a high level of responsibility in the labour market. Training and professional development programmes highlight the focused and goal-oriented investments in employee education and skills acquisition.

For the reporting year, Julius Berger continued efforts to improve literacy in Nigeria through the donation of over 3,000 books to public schools and libraries. The Company also continued to make measurable differences in the area of malaria prevention. Thousands of World Health Organisation certified, long lasting insecticide-treated mosquito nets were distributed to families, as a means to reduce malaria infection and related illnesses. Additionally, Julius Berger held HIV/AIDS peer mentoring training in collaboration with the Nigerian Business Coalition Against AIDS (NIBUCAA). Comprehensive information on HIV/AIDS and its transmission provided participants a foundation for becoming “Peer Mentors”, able to share knowledge with their colleagues, families and community members.

Health, Safety, Environment

Achievement of excellence in Health, Safety and Environment (HSE) is a fundamental component of Julius Berger's business principles and corporate culture. Julius Berger believes that effective management of HSE affairs not only protects staff, but also contributes to operational success. As such, the Company prioritises the health and safety of all employees, subcontractors or contractual partners, as well as the people and environment that may be affected by the organisation's sphere of activity.

To increase HSE awareness and support the implementation of HSE policy, Julius Berger invests numerous resources to the continual training of its workforce at all levels within the organisation. Targeted educational campaigns serve to minimise potential hazards and therefore reduce risk; monitoring and control procedures including site inspection, audits and regular safety meetings ensure compliance with HSE guidelines.

For the reporting year, Julius Berger continued to have strong HSE performance. The Company's Lost Time Injury Frequency Rate for 2013 was 0.68 and the majority of Julius Berger's projects achieved over one million man-hours worked without a Lost Time Incident. Throughout the year, the Company continued to focus on proactively reducing risks on all projects and in all facilities, to ensure a continual improvement of HSE performance. Julius Berger continues to conduct all activities in a manner that meets federal and state environmental compliance requirements – actively promoting sound environmental practice on behalf of the Company and clients.

"Effective management of HSE affairs protects staff and also contributes to operational success"

Risk Management

Julius Berger's Integrated Risk Management System ensures proactive identification of risks and employs continued assessment and monitoring mechanisms to minimise negative impact on the Company's business. Identified risks which pose the most threat, both in terms of likelihood and consequence, to Julius Berger's business are: market risk, financial and operational risk, legal risk, information security risk and environmental and reputational risk.

Market Risk

Julius Berger is a company working in Nigeria and for Nigeria. As such, the business of Julius Berger is dependent on the general economic situation and the development of the country. As an emerging market, political, financial and social challenges play a major role in the market situation of the country. Macroeconomic and global economics also have an influence. Growing competition in the construction sector, along with the developing legal framework of industry specific legislation, ordinances and regulations are risks that must be addressed with special focus. In order to mitigate such risk, the Company focuses on maintaining a high degree of diversification and a medium-low risk predictive portfolio profile.

"The Company's business success is built on the principle that both risk and opportunity are thoroughly weighed and managed"

Financial and Operational Risk

In the daily functioning of business, Julius Berger has exposure to certain financial risks, including credit and liquidity risks, as well as foreign currency and interest rate risks. Such risk exposures are managed and counterbalanced through various financial planning and monitoring instruments. Operational risk in the acquisition phase of construction projects includes the selection of clients, the establishment of subsequent conditions such as contractual parameters, the project specific competence and capacity of the Company as well as payment planning and security. In the execution phase, procurement of materials and machinery, logistics and human resources, as well as environmental factors, must be assessed and managed. A project controlling framework has been established to regulate such risks. Contracts are continuously subjected to thorough commercial, technical and legal examination throughout the life of the project.

Legal Risk

Julius Berger maintains a high level of awareness to mitigate and manage legal risk in the Company's activities. All business activities abide by Nigerian law and regulation. Additionally, Julius Berger's Compliance System has set regulations and targets to identifying non-compliant events, which are actively confronted and scrutinised. This includes implementation of a whistle blowing policy, which allows all employees and business partners to raise genuine concerns, in good faith, without fear of reprisals. This system assures that all irregularities reported are taken seriously and investigated as appropriate.

Information Technology Risk

Julius Berger has adopted systems to meet the fundamental objective of ensuring the security, confidentiality, integrity and availability of its information assets. In order to prevent unauthorised access or data loss and to guarantee the permanent availability of the Company's systems, resources are allocated to technical installations that protect the Company's information technology. Information technology structures are largely standardised, software products in use are those of leading producers and applicable security guidelines are regularly adapted to the latest technical developments.

Environmental and Reputational Risk

Accidents on a project site, damage to the environment, actual or alleged deficits and errors in the Company's performance as well as compliance violations are risks that could impact Julius Berger's financial situation and damage the Company's reputation. Julius Berger counteracts the risk of reputational damage through open communication and cooperation with clients and host communities. Through the implementation and prioritisation of Quality Management Systems and Health, Safety and Environment Policies, Julius Berger is determined to continue ensuring effective social and environmental risk management practices in all its activities, products and services.

Financial Statements

for the Year Ended December 31, 2013

Statement of Directors' Responsibilities

By the provisions of S334 and S335 of CAMA, the Directors are responsible for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Company and its subsidiaries, and of the profit or loss at the end of each financial year. The Directors are required by the provisions of the Code to issue this statement in connection with the preparation of the Financial Statements for the year ended December 31, 2013.

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
- judgment and estimates made are reasonable and prudent
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business
- internal control procedures are instituted, which as far as is reasonably possible, are adequate, safeguard the assets and prevent and detects fraud and other irregularities.

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

- the provisions of CAMA
- the provisions of the Financial Reporting Council of Nigeria, Act No. 6 of 2011
- the published accounting and financial reporting standard issued by the Financial Reporting Council of Nigeria
- the regulations of SEC and the Nigeria Stock Exchange

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

Signed on behalf of the Board of Directors by

AVM (Dr.) Mohammed Nurudeen Imam, CFR
Chairman
FRC/2014/NSE/00000006483

Wolfgang Goetsch
Managing Director
FRC/2014/NSE/00000006484

March 19, 2014

Certification of
Financial Statements

Pursuant to Section 7 (2) of the Financial Reporting Council of Nigeria Act, 2011, we have reviewed the Annual Reports of Julius Berger Nigeria Plc and its subsidiaries (the "Group") for the year ended December 31, 2013.

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

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

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

We are responsible for designing the internal controls and procedures surrounding the financial reporting process and assessing these controls (as required by Section 7 (2) (f) of the Financial Reporting Council of Nigeria Act, 2011) and have designed such internal controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including our consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared. The controls, which are properly designed, have been operating effectively in the period of intended reliance.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief the information contained in the Financial Statements of our Group for the year ended December 31, 2013, appear to be true, correct and up to date.

Wolfgang Goetsch	Wolfgang Kollermann
Managing Director	Financial Director
FRC / 2014 / NSE / 00000006484	FRC / 2012 / ANAN / 00000000396

March 19, 2014

Report of the
Audit Committee

In compliance with S 359 (6) of CAMA, we, the members of the Audit Committee whose names are stated hereunder, have reviewed and considered the Auditor's Report required to be made in accordance with S 359 (3) of CAMA, the Audited Financial Statements of the Company for the year ended December 31, 2013, and the reports thereon, confirm as follows:

1. The accounting and reporting policies of the Company are in accordance with legal requirement and agreed ethical practices.

2. The scope and planning of audit requirement were in our opinion adequate.

3. We have reviewed the findings on Management matters, in conjunction with the External Auditors, and are satisfied with the response of Management thereon.

4. The Company's systems of accounting and internal controls were adequate.

5. We have made the recommendations required to be made in respect of the External Auditors.

Members of the Audit Committee

- Sir Sunday Nnamdi Nwosu, KSS
- Chief Timothy Ayobami Adesiyan
- HRH Igwe Peter Nwokike Anugwu, JP, OFR
- Brig. Gen. Emmanuel Ebije Ikwue, GCON
- Mr. Wolfgang Kollermann
- Mr. Macdonald Olarinde Tubi

Sir Sunday Nnamdi Nwosu, KSS
Chairman
FRC/2014/IODN/00000006788

March 18, 2014

Report of the

Independent Auditors

Deloitte.

Akintola Williams Deloitte
4th Floor, Bank of Industry Building
Plot 256 Zone AO Cadastral
Off Herbert Macaulay Way
Behind Unity Bank Hqs
Central Business District
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

JULIUS BERGER NIGERIA PLC

Report on the Financial Statements
We have audited the accompanying consolidated and separate financial statements of **Julius Berger Nigeria Plc and its subsidiaries** which comprise the consolidated statement of financial position as at 31 December 2013, 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 ended 31 December 2013, a summary of significant accounting policies and other explanatory information set out on pages 58 to 131.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of **Julius Berger Nigeria Plc and its subsidiaries** as at 31 December 2013 and the financial performance and cash flows for the year then ended 31 December 2013 in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Folorunso Hunga, FCA - FRC/2013/ICAN/00000001709

for: **Akintola Williams Deloitte**
Chartered Accountants
Abuja, Nigeria
19 March 2014

A 220040

Statement of

Financial Position

Non-current assets
Property plant and equipment
Goodwill
Other intangible assets
Investment property
Investment in subsidiaries
Trade and other receivables
Tax receivable
Deferred tax assets
Other financial assets
Total non-current assets
Current assets
Inventories
Amount due from customers under construction contracts
Trade and other receivables
Tax receivable
Cash and bank balances
Assets classified as held for sale
Total current assets
Total assets
Equity
Share capital
Share premium
Foreign currency translation reserve
Retained earnings
Equity attributable to owners of the Company
Non-controlling interests
Total equity
Non-current liabilities
Borrowings
Retirement benefit liabilities
Deferred tax liabilities
Amount due to customers under construction contracts
Provisions
Total non-current liabilities
Current liabilities
Amount due to customers under construction contracts
Trade and other payables
Borrowings
Current tax payable
Retirement benefit liabilities
Provisions
Total current liabilities
Total liabilities
Total equity and liabilities

These Financial Statements on pages 58 to 131 were approved by the Board of Directors on March 19, 2014 and signed on its behalf by:

Engr. Wolfgang Goetsch
(Managing Director)
FRC/2014/NSE/00000006484

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

Note	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
14	67,995,915	57,079,027	66,542,850	56,172,990
16.1	4,842,708	4,634,422	–	–
16.2	118,297	127,935	–	–
17	780,177	–	780,177	–
18	–	–	12,195,207	11,375,207
22	1,469,591	1,706,067	1,469,591	1,706,063
23	31,075,595	25,957,783	30,313,672	25,368,942
12.3	7,468,271	3,017,036	7,772,392	2,899,471
19	–	4,125,734	–	4,125,734
	113,750,554	**96,648,004**	**119,073,889**	**101,648,407**
20	11,432,482	10,710,071	10,240,200	9,837,796
21	20,898,658	5,544,984	20,654,808	5,544,984
22	52,245,757	41,582,008	53,420,879	39,814,653
23	7,430,849	13,089,156	7,376,605	13,082,788
	20,475,649	10,731,468	8,450,894	4,821,084
	112,483,395	81,657,687	100,143,386	73,101,305
15	1,027,308	728,473	1,027,308	728,473
	113,510,703	**82,386,160**	**101,170,694**	**73,829,778**
	227,261,257	**179,034,164**	**220,244,583**	**175,478,185**
24	600,000	600,000	600,000	600,000
24	425,440	425,440	425,440	425,440
	687,896	222,992	–	–
	18,863,052	13,774,577	15,284,898	13,496,241
	20,576,388	**15,023,009**	**16,310,338**	**14,521,681**
25	458,040	121,171	–	–
	21,034,428	**15,144,180**	**16,310,338**	**14,521,681**
26	6,435,141	–	6,435,141	–
27	2,033,004	1,656,643	1,678,155	1,449,205
12.3	12,336,676	5,666,877	12,675,558	5,693,035
21	80,214,852	87,755,151	80,214,852	87,339,455
29	–	–	–	–
	101,019,673	**95,078,671**	**101,003,706**	**94,481,695**
21	46,472,088	18,863,122	46,191,050	18,740,904
28	34,016,585	33,121,063	34,084,367	31,481,698
26	19,279,413	8,208,260	19,279,413	8,208,260
12.2	5,314,810	3,551,109	3,306,111	3,047,502
27	124,260	4,667,759	69,598	4,596,445
29	–	400,000	–	400,000
	105,207,156	**68,811,313**	**102,930,539**	**66,474,809**
	206,226,829	**163,889,984**	**203,934,245**	**160,956,504**
	227,261,257	**179,034,164**	**220,244,583**	**175,478,185**

Statement of

Profit or Loss and Other Comprehensive Income

Revenue
Cost of sales
Gross profit
Marketing expenses
Administration expenses
Operating profit
Investment income
Other gains and losses
Finance costs
Profit before tax
Income tax expense
Profit for the year
Other comprehensive income for the year net of taxes
Actuarial gains on retirement benefits
Irreversible to income statement
Exchange differences on translating foreign operations
Total comprehensive income
Attributable to
Owners of the Company
Non-controlling interests
Basic earnings per share
Diluted earnings per share

Note	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
6	212,737,291	201,565,276	184,212,185	196,954,713
	(161,134,675)	(156,726,348)	(143,651,939)	(157,423,249)
	51,602,616	**44,838,928**	**40,560,246**	**39,531,464**
	(111,209)	(153,661)	(101,537)	(152,155)
	(32,624,772)	(31,704,992)	(26,750,656)	(27,066,902)
	18,866,635	**12,980,275**	**13,708,053**	**12,312,407**
7	19,949	838,767	–	647,810
8	295,816	1,232,358	210,868	1,293,546
9	(2,961,864)	(2,709,908)	(2,942,892)	(2,708,783)
10	**16,220,536**	**12,341,492**	**10,976,029**	**11,544,980**
12.1	(8,367,196)	(4,328,798)	(6,242,816)	(3,772,925)
	7,853,340	**8,012,694**	**4,733,213**	**7,772,055**
27	55,444	–	55,444	–
	516,560	247,769	–	–
	8,425,344	**8,260,463**	**4,788,657**	**7,772,055**
	8,064,235	8,193,543	4,788,657	7,772,055
25	361,109	66,920	–	–
	8,425,344	**8,260,463**	**4,788,657**	**7,772,055**
13	**6.72**	**6.83**	**3.99**	**6.48**
13	**6.72**	**6.83**	**3.99**	**6.48**

Statement of

Changes in Equity

Group
Balance at January 1, 2013
Profit for the year
Other comprehensive income (net of tax)
Total comprehensive income for the year
Dividends to shareholders
Buyback of non-controlling interest
Balance at December 31, 2013

Company
Balance at January 1, 2013
Profit for the year
Other comprehensive income (net of tax)
Total comprehensive income for the year
Dividends to shareholders
Balance at December 31, 2013

	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
	600,000	**425,440**	**222,992**	**13,774,577**	**15,023,009**	**121,171**	**15,144,180**
	–	–	–	8,008,791	8,008,791	309,453	8,318,244
	–	–	464,904	55,444	520,348	51,656	572,004
	–	**–**	**464,904**	**8,064,235**	**8,529,139**	**361,109**	**8,890,248**
	–	–	–	(3,000,000)	(3,000,000)	–	(3,000,000)
	–	–	–	24,240	24,240	(24,240)	–
	600,000	**425,440**	**687,896**	**18,863,052**	**20,576,388**	**458,040**	**21,034,428**

	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
	600,000	**425,440**	**–**	**13,496,241**	**14,521,681**	**–**	**14,521,681**
	–	–	–	4,733,213	4,733,213	–	4,733,213
	–	–	–	55,444	55,444	–	55,444
	–	**–**	**–**	**4,788,657**	**4,788,657**	**–**	**4,788,657**
	–	–	–	(3,000,000)	(3,000,000)	–	(3,000,000)
	600,000	**425,440**	**–**	**15,284,898**	**16,310,338**	**–**	**16,310,338**

Statement of
Cash Flows

Cash flows from operating activities	
Cash received from customers	
Cash paid to suppliers and employees	
Cash generated from operating activities	
Cash paid for taxes	
Net cash generated by operating activities	
Cash flows from investing activities	
Purchase of property, plant and equipment	
Investment in subsidiary	
Proceeds from sale of bonds	
Investment property	
Interest received	
Proceeds from disposal of property, plant and equipment	
Net cash used in investing activities	
Cash flows from financing activities	
Loan received	
Repayment of loans	
Interest paid	
Dividends paid	
Net cash used in financing activities	
Net decrease in cash and cash equivalents	
Cash and cash equivalents at beginning of year	
Cash and cash equivalents at end of year	
Cash and cash equivalents consist of	
Cash and bank balances	
Borrowings (bank overdrafts)	

	Note	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
		166,770,791	223,891,094	152,576,453	216,643,073
		(150,221,296)	(191,881,154)	(142,046,056)	(184,966,398)
		16,549,495	**32,009,940**	**10,530,397**	**31,676,675**
		(626,845)	(461,102)	(616,665)	(455,449)
	30	**15,922,650**	**31,548,838**	**9,913,732**	**31,221,226**
	14	(22,912,659)	(15,148,513)	(22,194,670)	(14,832,157)
		–	(5,572,360)	(820,000)	(11,101,217)
		4,125,734	–	4,125,734	–
		(812,684)	–	(812,684)	–
		–	838,767	–	647,810
		2,238,055	1,810,750	2,234,612	1,799,550
		(17,361,554)	**(18,071,356)**	**(17,467,008)**	**(23,486,014)**
		12,526,621	–	12,526,621	–
	26	(3,206,144)	(1,257,104)	(3,206,144)	(1,257,104)
	9	(2,942,892)	(2,709,908)	(2,942,892)	(2,708,783)
		(2,869,879)	(2,776,879)	(2,869,879)	(2,776,879)
		3,507,706	**(6,743,891)**	**3,507,706**	**(6,742,766)**
		2,068,802	**6,733,591**	**(4,045,570)**	**992,446**
		2,523,208	(4,210,383)	(3,387,175)	(4,379,621)
	30.1	**4,592,010**	**2,523,208**	**(7,432,745)**	**(3,387,175)**
		20,475,649	10,731,468	8,450,894	4,821,084
		(15,883,639)	(8,208,260)	(15,883,639)	(8,208,260)
	30.1	**4,592,010**	**2,523,208**	**(7,432,745)**	**(3,387,175)**

"Unmatched resources and logistics management support effective and time sensitive solutions"

Construction of an Industrial Plant

In Edo State, Julius Berger is carrying out design and construction of civil, building, and infrastructure works for a Greenfield Cement Plant planned to have an output of 6,000t per day. In addition to massive site clearing, as well as earth and road works, the civil scope covers foundation and building works, including a 97 metre pre-heater tower, several cement silos and a 200,000m² lay-down and pre-assembling area for mechanical equipment.

Construction of this large scale industrial project in a remote location with no existing facilities requires enormous resources and logistics management. Furthermore, the re-measurable nature of the project coupled with the client's need for an accelerated timeline requires effective and time sensitive solutions. Julius Berger's mechanical/technical department and logistics experts plan and coordinate the transport and mobilisation of equipment to meet project requirements.

On-site, in the face of a growing scope of work and an accelerated time schedule, a project team with manpower of close to one thousand persons employs progressive and time efficient construction techniques to ensure that the client's demand for early handover is met. Within an impressive four month timeframe the site's batching plant was operational, putting into action production of precast concrete elements. Furthermore, the unforeseen need for excavation of massive rock quantities continues to be resolved by swift deployment of specialised equipment – with over 190,000m³ of rock blasted. The four cement silos and one raw mill silo climb at a height of four meters daily as a result of 24 hour slip form work. Julius Berger has utilised progressive lightweight space frame technology to create the roofs for the massive raw material storage structures, which not only saves time, but has positive HSE implications.

Notes to the Financial Statements

for the Year Ended December 31, 2013

General information

1. General information

Julius Berger Nigeria Plc (the "Company") was incorporated as a private limited liability company on February 18, 1970. The Company subsequently converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange on September 20, 1991. It is registered in Nigeria with registration number 6852. The addresses of its registered office and principal place of business are disclosed in the introduction to the Annual Reports and Financial Statements. The principal activities of the Company and its subsidiaries (the "Group") are described in Notes 18 and 32 to the Financial Statements.

Application of

IFRS Standards

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

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

IFRS 10 Consolidated Financial Statements [a]

IFRS 10 replaces the parts of International Accounting Standard (IAS) 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Standard Interpretation Committee (SIC)-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

The Directors made an assessment as at the date of initial application of IFRS 10 (i.e. January 1, 2013) as to whether or not the Group has control over the subsidiaries in accordance with the new definition of control and the related guidance set out in IFRS 10. The Directors concluded that it had control over subsidiaries since the acquisition on the basis that the Company has the majority share holding in the subsidiaries and there are no hindrances or arrangements that would give control to the non-controlling interest holders. Therefore, in accordance with the requirements of IFRS 10, the subsidiaries have been subsidiaries of the Company since 2011.

IFRS 11 Joint Arrangements [b]

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Ventures will be withdrawn upon the effective date of IFRS 11. IFRS 11 is concerned principally with addressing two aspects of IAS 31: first, that the structure of the arrangement was the only determinant of the accounting, and second, that an entity had a choice of accounting treatment for interests in jointly controlled entities. The application of this standard had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements as the Group does not currently hold any joint arrangement contract.

Required to be implemented for periods beginning on or after
a January 1, 2013
b January 1, 2013

IFRS 12 Disclosure of Interest in Other Entities [c]

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards. IFRS 12 replaces the disclosure requirements in IAS 27, IAS 28 and IAS 31 except for the disclosure requirements that apply only when preparing separate financial statements, which are included in IAS 27 Separate Financial Statements. IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13 Fair Value Measurement [d]

IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosure about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less cost to sell, based on fair value or disclosures about those measurements), except in the following circumstances:

- share based payment transactions within the scope of IFRS 2
- leasing transactions within the scope of IAS 17
- measurements that have some similarities to fair value, such as net realisable in accordance with IAS 2 inventories and value in use in accordance with IAS 36

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not to apply with the disclosure requirements set out in the standard incorporative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the year 2012 comparative period (please see Note 3 for the 2013 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements [e]

The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position.

Required to be implemented for periods beginning on or after
c January 1, 2013
d January 1, 2013
e January 1, 2013

The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. In the current year, the Group has applied a number of new and revised IFRS (see above), however these have not resulted in material effects on the information in the consolidated statement of financial position as at January 1, 2013. Equally, there is no material restatement or reclassification requiring additional statement of financial position.

IAS 19 (as revised in 2011) Employee Benefits [f]

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the following areas inter alia:

- recognition of changes in the net defined benefit liability
- plan amendments, curtailments and settlements
- disclosure about defined benefit plans
- accounting for termination benefits and other miscellaneous issues

The application of this standard has had no impact on the amounts recognised in profit or loss and other comprehensive income in prior years.

International Financial Reporting Interpretation Committee (IFRIC) 20 Stripping Costs in the Production Phase of a Surface Mine [g]

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). Under the interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognised as a non-current asset (stripping activity asset) when certain criteria are met, whereas the costs of normal ongoing operational stripping activities are accounted for in accordance with IAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

IFRIC 20 is effective for annual periods beginning on or after January 1, 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time. However, IFRIC 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented.

The Directors anticipate that IFRIC 20 will have no effect to the Group's Financial Statements as the Group does not engage in such activities.

Required to be implemented for periods beginning on or after
f January 1, 2013
g January 1, 2013

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

Recoverable Amount Disclosures for Non-Financial Assets (Amendments IAS 36) [h]

The amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures require, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (bases on fair valueless costs of disposal) is determined using a present value technique.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) [i]

Amends IAS 39 Financial Instruments Recognition and Measurement make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

IFRS 9 (2010) [j]

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments Recognition and Measurement.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) [k]

The amendment clarifies certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently' has a legally enforceable right of set-off, the application of simultaneous realisation and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

Investment Entities (Amendments to IFRS 10, IFRS 12) [l]

The amendments provide 'investment entities' (as defined), an exemption from the consolidation of particular subsidiaries, and instead require that an investment entity measures the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments Precognition and Measurement. Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated transactions between the investment entity and its subsidiaries. Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Required to be implemented for periods beginning on or after
h January 1, 2014
i January 1, 2014
j January 1, 2015
k January 1, 2014
l January 1, 2014

Amendments to IAS 1 Presentation of Financial Statements [m]

The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the Information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position.

The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. In the current year, the Group has applied a number of new and revised IFRSs (see the discussion above), however these have consolidated statement of financial position as at January 1, 2013. Equally there is no material restatement or reclassifications requiring additional statement of financial position.

IFRIC 21 Levies [n]

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The liability is recognised progressively if the obligating event occurs over a period of time. An obligation is triggered if a minimum threshold is reached.

Required to be implemented for periods beginning on or after
m January 1, 2013
n January 1, 2014

Significant Accounting Policies

3. Significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation

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

The accompanying Consolidated and Separate Financial Statements in Nigerian Naira (the functional currency of the Group) have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria (FRCN) and as applicable, the Companies Allied Matters Act (CAMA), Cap C20, LFN 2004.

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

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

3.3 Basis of consolidation

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

- has power over the investee
- is exposed, or has right, to variable returns from its involvement with the investee
- 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 the other vote holders
- potential voting rights held by the Company, other holders or other parties
- rights arising from other contractual arrangements
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed 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 are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest is having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's Accounting Policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

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

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

3.4 Business combinations

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date
- 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 IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

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

3.4.1 Acquisition of interests from non-controlling shareholders

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

3.5 Goodwill

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

3.6 Revenue recognition

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

3.6.1 Goods and services

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

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

3.6.2 Construction contracts

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

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

3.7 Gross amount due from customers

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

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

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any.

Self-produced assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, appropriate allocations of materials and other overheads associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of 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 the Statement of Profit or Loss and Other Comprehensive Income under 'other gains and losses'.

Depreciation is recognised so as to write-off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

	Residual values (%) on cost	Useful lives years
Building	10	25
Plant and machinery	5	10
Other fixed assets	5	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.

3.11 Investment property

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

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

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

An investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the disposal or retirement of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss for the period.

3.12 Non-current assets held for sale

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

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

3.13 Leasing

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

3.13.1 The Group as lessor

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

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

3.13.2 The Group as lessee

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

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

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

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

3.14 Intangible assets

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

3.14.1 Intangible assets acquired separately

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

3.14.2 Internally-generated intangible assets – Research and development expenditure

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

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

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

3.14.3 Intangible assets acquired in a business combination

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

3.14.4 Derecognition of intangible assets

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

3.15 Inventories

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

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

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

3.16 Taxation

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

3.16.1 Income and deferred tax for the year

Income and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income and deferred tax are also recognised in other comprehensive income or directly in equity respectively. 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 benefit which have not been paid in the year.

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

3.17 Foreign currencies

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

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

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

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

3.18 Dividends

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

3.19 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 7.5 % each, is consistent with the Pension Reform Act 2004.

3.19.2 Defined benefit plan

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

3.20 Financial instruments

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

3.20.1 Financial assets

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

3.20.1.1 Amortised cost and effective interest method

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

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

3.20.1.2 Classification of financial assets

The Group's financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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

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

- contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. Contract receivables and retentions comprise amounts due in respect of certified or approved certificates by the client or consultant at the reporting date for which payment has not been received, and amounts held as retentions on certified certificates at the reporting date. Contract receivables are stated after deduction of specific allowance for any debt considered doubtful of collection. The allowance for bad and doubtful debts is based on the estimated irrecoverable which is determined based on the ageing of the receivable balance and historical experience

- cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. All short term cash investments are invested with major financial institutions in order to manage credit risk

3.20.1.3 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at FVPTL, 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 Consolidated Statement of Comprehensive Income.

3.20.1.4 Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty
- breach of contract, such as a default or delinquency in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation
- the disappearance of an active market for that financial asset because of financial difficulties

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

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

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

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

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

3.20.1.5 Derecognition of financial assets

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

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

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

3.20.2 Financial liabilities and equity instruments

3.20.2.1 Classification as debt or equity

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

3.20.2.2 Equity instruments

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

3.20.2.3 Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’. The Group does not have financial liabilities classified as financial liabilities ‘at FVTPL’.

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

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

3.20.2.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the ‘other gains and losses’ line item (Note 8) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

3.20.2.5 Derecognition of financial liabilities

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

3.21 Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

3.22 Related parties

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

3.23 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

3.24 Segment reporting

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

A segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are set 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. Where necessary, the Group will enter into an advance pricing agreement to establish an appropriate set of criteria for determining whether the person has complied with the arm's length principle for certain future controlled transactions undertaken by the Group over a fixed period of time

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 judgements in applying the Group's Accounting Policies

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

4.1.1 Income taxes

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

4.1.2 Revenue recognition

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

4.1.3 Allowance for doubtful debts / receivables

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

4.1.4 Review of the useful lives of tangible assets

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

4.1.5 Write-down of inventories to Net realisable value

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

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial reporting date, which 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 Impairment loss on property, plant and equipment

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

4.2.2 Provision for gratuity

Within the Group, the Company operates an unfunded defined benefit scheme which entitles staff, who puts in minimum qualifying working period of five years, to gratuity. 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, rate of employee turnover, and others and financial projections in the area of future salaries and benefit levels, discount rates, inflation, and others.

5. Segmental analysis

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

Julius Berger Nigeria Plc has three segments which offer civil works, building works and services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by segments, each of which is managed separately and considered to be a reportable segment. The Managing Director together with Senior Executive Management are members of Management and they regularly review the performance of these segments. Details of the services offered by these segments are provided in the business and financial review.

5.1 Principal segment activities

Civil works

The segment is responsible for design, engineering, construction and maintenance of various infrastructures. This includes transportation networks such as roads and bridges, public facilities like ports, railways and airports, as well as civil works for residential districts and industrial projects. The segment activities also comprise civil works for water, telecommunication and power systems.

Building works

The segment is responsible for design, engineering, construction and maintenance of buildings of various size and function. This includes residential, commercial and administration buildings, industrial layouts, hotels, hospitals and airport terminals, as well as sports complexes. Under this segment is a furniture production unit, which produces high quality furniture and interior fittings, in addition to an aluminium manufacturing subsidiary.

Services

The segment is responsible for facility services of buildings and industrial facilities, to create an optimal, safe and cost effective environment for occupants to function. This includes fire safety, security systems, testing and inspection, operation and maintenance as well as cleaning. Furthermore, the segment also provides refurbishment services.

5.2 Revenue

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Class of business				
Civil works	101,762,935	124,985,722	101,762,935	120,375,160
Building works	82,165,087	76,307,590	82,165,087	76,307,591
Services	28,809,269	271,964	284,163	271,962
Total revenue	**212,737,291**	**201,565,276**	**184,212,185**	**196,954,713**

5.3 Profit / loss

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Class of business				
Civil works	12,187,846	8,385,258	8,855,402	7,953,815
Building works	6,131,656	4,218,589	4,455,117	4,001,532
Services	547,133	376,428	397,534	357,060
Total profit of segments	**18,866,635**	**12,980,275**	**13,708,053**	**12,312,407**
Other Income	315,765	2,071,125	210,868	1,941,356
EBITA	**19,182,400**	**15,051,400**	**13,918,291**	**14,253,763**
Finance costs	(2,961,864)	(2,709,908)	(2,942,892)	(2,708,783)
Adjusted profit before tax	16,220,536	12,341,492	10,976,029	11,544,980
Other items	–	–	–	–
Profit before income tax	**16,220,536**	**12,341,492**	**10,976,029**	**11,544,980**

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

5.4 Information about major customers

Included in the revenue reported by the Group are three customers whose individual balances of ₦67.49 Billion (2012: ₦53.66 Billion), ₦19 Billion (2012: ₦ 42.11 Billion) and ₦3.1 Billion (2012: ₦24.93 Billion) represent more than 10% of the total revenue reported by the Group. No other single customers contributed 10% or more to the Group's revenue for both 2013 and 2012.

Also included in the non-current assets are additions to PPE belonging to the services segment in the sum of ₦22.9 Billion.

5.5 Segment assets and liabilities

Group	Segment Assets 31/12/2013 ₦000	Segment Liabilities 31/12/2013 ₦000	Segment Net Assets/Liabilities 31/12/2013 ₦000	Segment Assets 31/12/2012 ₦000	Segment Liabilities 31/12/2012 ₦000	Segment Net Assets/Liabilities 31/12/2012 ₦000
Class of business						
Civil works	65,037,240	(98,029,150)	(32,991,910)	42,441,621	(84,467,511)	(42,025,890)
Building works	33,504,032	(43,389,952)	(9,885,920)	21,863,866	(37,337,259)	(15,523,393)
Services	94,906,048	(19,284,423)	75,261,625	61,933,234	(16,616,560)	45,316,674
	193,447,320	**(160,703,525)**	**32,743,795**	**126,238,721**	**(138,471,330)**	**(12,232,609)**
Net cash	20,475,649	(25,714,554)	(5,238,905)	10,731,468	(8,208,260)	2,523,208
Unallocated assets / (liabilities)	13,338,288	(19,808,750)	(6,470,462)	42,063,975	(17,210,394)	24,853,581
	227,261,257	**(206,226,829)**	**21,034,428**	**179,034,164**	**(163,889,984)**	**15,144,180**

Company	Segment Assets 31/12/2013 ₦000	Segment Liabilities 31/12/2013 ₦000	Segment Net Assets/Liabilities 31/12/2013 ₦000	Segment Assets 31/12/2012 ₦000	Segment Liabilities 31/12/2012 ₦000	Segment Net Assets/Liabilities 31/12/2012 ₦000
Class of business						
Civil works	68,515,039	(97,899,066)	(29,384,027)	56,754,787	(83,912,857)	(27,158,070)
Building works	35,295,625	(43,332,371)	(8,036,746)	29,237,314	(37,141,756)	(7,904,442)
Services	86,988,118	(19,258,834)	67,729,284	72,057,058	(16,507,448)	55,549,610
	190,798,782	**(160,490,271)**	**30,308,511**	**158,049,159**	**(137,562,061)**	**20,487,098**
Net cash	8,450,894	(25,714,554)	(17,263,660)	4,821,084	(8,208,260)	(3,387,176)
Unallocated assets / (liabilities)	20,994,907	(17,729,420)	3,265,487	12,607,943	(15,186,184)	(2,578,241)
	220,244,583	**(203,934,245)**	**16,310,338**	**175,478,186**	**(160,956,505)**	**14,521,681**

The amounts provided to 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, Management monitors the tangible, and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments with the exception of current tax assets and deferred taxation assets, current tax liabilities and retirement benefit. Assets used jointly by reportable segments are allocated on a rational basis after considering the revenues earned by individual reportable segments.

6. Revenue

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Construction contracts	183,928,022	196,954,714	183,928,022	196,682,751
Rendering of services	28,809,269	4,610,562	284,163	271,962
	212,737,291	**201,565,276**	**184,212,185**	**196,954,713**

7. Investment income

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Investment income consists of interest income from				
Investment from free trade zone activities	19,940	–	–	–
Other financial assets	–	507,745	–	507,745
Bank deposits	9	331,022	–	140,065
	19,949	**838,767**	**–**	**647,810**

8. Other gains and losses

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Profit from sale of property, plant and equipment	1,219,426	874,680	1,239,372	868,556
Net foreign exchange gains / (losses)	(1,047,829)	56,484	(1,028,504)	206,119
Sundry income	124,219	301,194	–	218,871
	295,816	**1,232,358**	**210,868**	**1,293,546**

9. Finance costs

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Interest on overdraft	1,992,025	1,795,288	1,992,025	1,795,288
Interest on loan	950,867	–	950,867	–
Other finance charges	18,972	914,620	–	913,495
	2,961,864	**2,709,908**	**2,942,892**	**2,708,783**

10. Profit for the year

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Profit for the year has been arrived at after charging/(crediting)				
Net foreign exchange gains/(losses)	1,047,829	(56,484)	1,028,504	(206,118)
Depreciation of property, plant and equipment	8,800,571	11,370,648	8,666,216	11,255,138
Depreciation of investment property	32,507	–	32,507	–
Impairment loss	701,317	702,899	701,317	702,899
Audit remuneration (see Note 10.1)	96,000	96,000	60,000	60,000
Staff costs (see Note 11)	51,522,461	49,443,312	44,272,293	46,085,310
Gain on disposal of property, plant and equipment	(1,219,426)	(874,680)	(1,239,372)	(868,556)

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Audit fees				
Parent group	70,000	70,000	60,000	60,000
Subsidiaries auditors (Ernst & Young and Nexia-Agbo Abel & Co.)	26,000	26,000	–	–
Other audit-related fees	–	–	–	–
Audit and audit-related fees	**96,000**	**96,000**	**60,000**	**60,000**
Other fees				
Taxation	7,000	7,000	7,000	7,000
Others	3,000	3,000	3,000	3,000
Total fees	**106,000**	**106,000**	**70,000**	**70,000**

11. Staff costs and employee numbers

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Wages and salaries	48,811,904	46,285,284	41,682,863	43,025,895
Social security costs	478,691	410,629	468,087	410,629
Defined benefit plans	853,281	1,490,348	844,939	1,449,205
Defined contribution (pension schemes)	1,378,585	1,257,051	1,276,404	1,199,581
	51,522,461	**49,443,312**	**44,272,293**	**46,085,310**

	Group 31/12/2013 Number	Group 31/12/2012 Number	Company 31/12/2013 Number	Company 31/12/2012 Number
The average number of people employed was as follows:				
Civil works	3,393	3,218	3,193	3,118
Building works	5,810	6,455	5,610	6,005
Services	9,013	9,561	8,068	9,275
	18,216	**19,234**	**16,871**	**18,398**

The average number of employees in the services division includes Managerial Staff as well as Executive Management.

	Group 31/12/2013 Number	Group 31/12/2012 Number	Company 31/12/2013 Number	Company 31/12/2012 Number
The average number of people employed was as follows:				
Managerial staff	121	121	100	98
Senior staff	1,285	777	712	710
Junior staff	16,810	18,336	16,059	17,590
	18,216	**19,234**	**16,871**	**18,398**

12. Taxation

12.1 Income tax recognised in profit or loss

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Current tax				
Current tax expense in respect of the current year	4,837,990	3,087,037	2,855,039	2,585,591
Education tax (2 % of assessable profit)	456,102	435,066	451,072	432,905
Capital gains tax in respect of disposal of items of PPE in the current year	–	29,006	–	29,006
Adjustments in relation to the current tax of prior years	863,358	20,668	827,103	–
Deferred tax				
Deferred tax expense recognised in the current year	2,209,746	757,021	2,109,602	725,423
Total income tax expense recognised in the current year	**8,367,196**	**4,328,798**	**6,242,816**	**3,772,925**
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax from operations	**16,220,536**	**12,341,492**	**10,976,029**	**11,544,980**
Expected income tax expense calculated at 30 % (2012: 30 %)	4,866,161	3,702,448	3,275,471	3,463,494
Education tax expense calculated at 2 % (2012: 2 %) of assessable profit	456,102	435,066	451,027	432,905
Effect of income that is exempt from taxation	–	(2,773,468)	–	(2,672,980)
Effect of expenses that are not deductible in determining taxable profit	137,280	6,061,855	3,974,047	5,703,060
Effect of unrecognised and unused tax losses now recognised as deferred tax assets	113,741	417,450	113,741	421,067
Effect of different tax rates of subsidiaries and adjustments	(279,192)	(4,321,248)	(4,525,558)	(4,329,050)
Deferred tax expense recognised in the current year	2,209,746	757,021	2,109,602	725,423
Income tax expense recognised in profit or loss	7,503,838	4,279,124	5,415,713	3,743,919
Capital gains tax in relation to the disposal of items of PPE	–	29,006	–	29,006
Adjustments recognised in the current year in relation to the current tax of prior years	863,358	20,668	827,103	–
	8,367,196	**4,328,798**	**6,242,816**	**3,772,925**

The tax rate used for the 2013 and 2012 reconciliations above is the corporate tax rate of 30 % payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act.

12.2 Current tax liabilities

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Income tax payable	4,858,708	3,087,037	2,855,039	2,585,591
Education tax payable	456,102	435,066	451,072	432,905
Capital gains tax payable	–	29,006	–	29,006
	5,314,810	**3,551,109**	**3,306,111**	**3,047,502**

12.3 Deferred tax assets and liabilities

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Deferred tax assets	7,468,271	3,017,036	7,772,392	2,899,471
Deferred tax liabilities	(12,336,676)	(5,666,877)	(12,675,558)	5,693,035
Deferred tax liabilities (net)	**(4,868,405)**	**(2,649,841)**	**(4,903,166)**	**(2,793,564)**
The gross movement in deferred taxation during the year is as follows:				
Balance at beginning of year	2,649,841	2,077,916	2,793,564	2,068,140
Exchange differences	8,818	–	–	651,544
Profit or loss charge	2,209,746	105,476	2,109,602	73,880
Tax charge / (credit) relating to components of other comprehensive income	–	651,544	–	–
Tax charge / (credited) directly to equity	–	(185,095)	–	–
Balance at end of year	**4,868,405**	**2,649,841**	**4,903,166**	**2,793,564**

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 follows:

Deferred tax – Group

	Accelerated tax depreciation ₦000	Adjustments and fair value gains ₦000	Others ₦000	Total ₦000
Deferred tax liabilities				
Balance at January 1, 2013	4,885,099	(190,143)	971,921	5,666,877
Charged to profit or loss	8,188,051	–	(1,518,252)	6,669,799
Charged to other comprehensive income	–	–	–	–
Balance at December 31, 2013	**13,073,150**	**(190,143)**	**(546,331)**	**12,336,676**

	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2013	(432,745)	(609,502)	(1,974,789)	(3,017,036)
Charged to profit or loss	(218,018)	420,966	(4,654,183)	(4,451,235)
Charged to other comprehensive income	–	–	–	–
Balance at December 31, 2013	**(650,763)**	**(188,530)**	**(6,628,972)**	**(7,468,271)**

Deferred tax – Company

	Accelerated tax depreciation ₦000	Adjustments and fair value gains ₦000	Others ₦000	Total ₦000
Deferred tax liabilities				
Balance at January 1, 2013	4,639,019	–	1,054,016	5,693,035
Charged to profit or loss	8,036,539	–	(1,054,016)	6,982,523
Balance at December 31, 2013	**12,675,558**	**–**	**–**	**12,675,558**

	Retirement benefit obligation ₦000	Impairment and tax losses ₦000	Provisions and others ₦000	Total ₦000
Deferred tax assets				
Balance at January 1, 2013	(332,005)	(609,502)	(1,957,964)	(2,899,471)
Charged to profit or loss	(507,885)	361,777	(4,726,813)	(4,872,921)
Balance at December 31, 2013	**(839,890)**	**(247,725)**	**(6,684,777)**	**(7,772,392)**

13. Earnings per share

Basic and diluted earnings per share are shown on the face of the Statement of Profit or Loss and Other Comprehensive Income.

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Earnings				
Earnings for the purpose of basic earnings and diluted earnings per share being net profit attributable to equity holders of the Company	**8,064,235**	**8,193,543**	**4,788,657**	**7,772,055**
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,200,000**	**1,200,000**	**1,200,000**	**1,200,000**
Earnings per 50 K share (₦) – basic	**6.72**	**6.83**	**3.99**	**6.48**
Earnings per 50 K share (₦) – diluted	**6.72**	**6.83**	**3.99**	**6.48**

14. Property, plant and equipment

PPE – Group

	Land ₦000	Buildings ₦000	Plant and machinery ₦000	Other fixed assets ₦000	Work-in-progress ₦000	Total ₦000
Cost						
Balance at January 1, 2013	624,236	9,148,747	112,587,813	796,375	–	123,157,171
Additions	2,918,952	–	18,436,903	580,366	976,438	22,912,659
Disposals	–	–	(8,048,424)	(32,349)	–	(8,080,772)
Balance at December 31, 2013	**3,543,188**	**9,148,747**	**122,976,292**	**1,344,392**	**976,438**	**137,989,057**
Accumulated depreciation and impairment loss						
Balance at January 1, 2013	–	3,043,272	62,613,795	421,077	–	66,078,144
Charge for the year	–	265,912	8,385,165	149,493	–	8,800,571
Eliminated on disposals	–	–	(5,569,041)	(17,848)	–	(5,586,889)
Impairment loss	–	–	701,317	–	–	701,317
Balance at December 31, 2013	**–**	**3,309,184**	**66,131,236**	**552,722**	**–**	**69,993,142**
Net book value						
Balance at December 31, 2013	**3,543,188**	**5,839,563**	**56,845,056**	**791,670**	**976,438**	**67,995,915**
Balance at December 31, 2012	**624,236**	**6,105,475**	**49,974,018**	**375,298**	**–**	**57,079,027**

PPE – Company

	Land ₦000	Buildings ₦000	Plant and machinery ₦000	Other fixed assets ₦000	Work-in-progress ₦000	Total ₦000
Cost						
Balance at January 1, 2013	624,236	8,586,838	112,280,659	238,354	–	121,730,087
Additions	2,918,952	–	18,299,281	–	976,438	22,194,671
Disposals	–	–	(8,032,259)	(2,594)	–	(8,034,853)
Reclassifications	–	–	–	–	–	–
Balance at December 31, 2013	**3,543,188**	**8,586,838**	**122,547,681**	**235,760**	**976,438**	**135,889,905**
Accumulated depreciation and impairment loss						
Balance at January 1, 2013	–	2,940,394	62,429,492	187,211	–	65,557,097
Charge for the year	–	267,701	8,360,870	37,645	–	8,666,216
Eliminated on disposals	–	–	(5,575,745)	(1,830)	–	(5,577,575)
Impairment loss	–	–	701,317	–	–	701,317
Balance at December 31, 2013	**–**	**3,208,095**	**65,915,934**	**223,026**	**–**	**69,347,055**
Net book value						
Balance at December 31, 2013	**3,543,188**	**5,378,743**	**56,631,747**	**12,734**	**976,438**	**66,542,850**
Balance at December 31, 2012	**624,236**	**5,646,444**	**49,851,167**	**51,143**	**–**	**56,172,990**

14.1 Contractual commitment for capital expenditure

There are capital commitments for the purchase of land and buildings amounting to Nil (2012: ₦1.46 Billion).

14.2 Assets pledged as security for liability

There is a debenture over the floating assets stamped and registered for ₦700 Million and used as collateral for the bank overdraft facilities.

15. Non-current assets held for sale

At the reporting date, property, plant and equipment of ₦1,027 Million (2012: ₦728 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 Equipment Repair Center (ERC) and sales are expected to be completed within one year.

16. Intangible assets

16.1 Goodwill

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Cost	4,634,422	4,634,422	–	–
Exchange difference	208,286	–	–	–
Accumulated impairment loss	–	–	–	–
	4,842,708	**4,634,422**	**–**	**–**

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

16.2 Other intangible assets

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Cost				
Balance at January 1, 2013	157,827	–	–	–
Additions during the year	35,201	157,827	–	–
Balance at December 31, 2013	**193,028**	**157,827**	**–**	**–**
Accumulated amortisation				
Balance at January 1, 2013	29,892	–	–	–
Charge for the year	44,839	29,892	–	–
Balance at December 31, 2013	**74,731**	**29,892**	**–**	**–**
Net book value				
Balance at December 31, 2013	**118,297**	**–**	**–**	**–**
Balance at December 31, 2012	**127,935**	**127,935**	**–**	**–**

The other intangible assets represents software licenses acquired as part of the net assets of Julius Berger International GmbH.

17. Investment property

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Cost				
Balance at January 1, 2013	–	–	–	–
Additions during the year	812,684	–	812,684	–
Balance at December 31, 2013	**812,684**	**–**	**812,684**	**–**
Accumulated depreciation				
Balance at January 1, 2013	–	–	–	–
Charge in the year	32,507	–	32,507	–
Balance at December 31, 2013	**32,507**	**–**	**32,507**	**–**
Net book value				
Balance at December 31, 2013	**780,177**	**–**	**780,177**	**–**
Balance at December 31, 2012	**–**	**–**	**–**	**–**

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

18. Investments in subsidiaries

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at January 1	–	–	11,375,207	273,990
Additions	–	–	820,000	11,101,217
Disposals	–	–	–	–
Balance at December 31	**–**	**–**	**12,195,207**	**11,375,207**

Investment 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 subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent Group 31/12/13	31/12/12
Abumet Nigeria Ltd.	Manufacturing of Aluminium	Abuja, Nigeria	90 %	70 %
Julius Berger Services Nigeria Ltd.	Stevedoring and port clearing services	Abuja, Nigeria	100 %	100 %
Julius Berger Medical Services Ltd.	Medical Services in line with National Health Insurance Scheme	Abuja, Nigeria	100 %	100 %
PrimeTech Design and Engineering Nigeria Ltd.	Civil engineering and structural design services	Abuja, Nigeria	100 %	100 %
Julius Berger Investments Ltd.	Financial Investments	Abuja, Nigeria	100 %	100 %
Julius Berger International GmbH	Logistic and technical supports	Wiesbaden, Germany	90 %	90 %

19. Other financial assets

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Investment in bonds				
Balance at January 1	–	–	–	–
Additions	4,125,734	4,125,734	4,125,734	4,125,734
Disposals	(4,125,734)	–	(4,125,734)	–
Balance at December 31	**–**	**4,125,734**	**–**	**4,125,734**

In 2012, the Federal Government of Nigeria entered into an agreement to repay debt owed to construction companies through the issuance of bond. The bond has a ₦100 per value split coupon with fixed interest rate at 16.5 % per annum payable on its offer at the end of three-year-zero-coupon period and on the said principal sum semi-annually in arrears each year during the tenor subject to and in accordance with the conditions and provisions of the Tranche Trust Deed. The bonds were disposed of in 2013.

20. Inventories

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Construction materials	3,481,419	3,751,646	3,299,342	3,226,126
Consumables	3,140,711	2,261,223	2,272,197	2,089,625
Spares	4,253,629	4,498,964	4,075,700	4,336,454
Others	646,724	622,534	609,792	536,718
	11,522,483	11,134,367	10,257,031	10,188,923
Allowances (Note 20.1)	(90,001)	(424,296)	(16,831)	(351,127)
	11,432,482	**10,710,071**	**10,240,200**	**9,837,796**

20.1 Obsolete inventory

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at beginning of year	424,296	260,095	351,127	140,755
Amount (written back) / charged to profit or loss	(334,295)	164,201	(334,296)	210,372
Balance at end of year	**90,001**	**424,296**	**16,831**	**351,127**

The cost of inventories recognised as an expense during the year in respect of operations was ₦21.8 Billion (2012: ₦18.1 Billion).

Inventories have not been pledged as security for liabilities.

21. Amount due from / to customers from construction contract

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Construction costs incurred plus recognised profits less recognised losses to date	555,202,500	436,220,695	555,202,500	436,220,695
Less progress billings	(659,561,114)	(536,790,280)	(659,523,926)	(536,252,366)
Less retentions	(1,429,668)	(503,704)	(1,429,668)	(503,704)
	(105,788,281)	**(101,073,289)**	**(105,751,093)**	**(100,535,375)**
Recognised and included in the consolidated and separate financial statements as amounts				
Due from customers under construction contracts	20,898,658	5,544,984	20,654,808	5,544,984
Due to customers under construction contracts (Note 21.1)	(126,686,940)	(106,618,273)	(126,405,902)	(106,080,359)
	(105,788,281)	**(101,073,289)**	**(105,751,093)**	**(100,535,375)**

21.1 Gross amounts due to customers

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Current portion	46,472,088	18,863,122	46,191,050	18,740,904
Non-current portion	80,214,852	87,755,151	80,214,852	87,339,455
	126,686,940	**106,618,273**	**126,405,902**	**106,080,359**

Gross amounts due to customers from construction contracts include advances received from clients of ₦105.5 Billion (2012: ₦100.9 Billion) for the Group and ₦107.9 Billion (2012: ₦106.9 Billion) for the Company.

22. Trade and other receivables

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Trade receivables				
Contract and retention receivables (Note 24.1)	44,619,456	28,499,280	44,682,370	28,403,324
Receivables from rendering of services	678,813	1,878,057	–	–
Less allowance for doubtful debt (see Note 22.3)	(1,896,823)	(1,539,715)	(1,831,360)	(1,443,759)
	43,401,446	**28,837,622**	**42,851,010**	**26,959,565**
Other receivables				
Supplier advances	6,108,921	7,437,664	5,489,901	7,640,374
Amount owed by related entities (Note 32.2)	932	666,938	3,020,080	3,077,752
Amount owed by staff debtors	310,847	85,950	287,087	67,406
Advance to vendors	–	3,393,358	–	1,464,744
Prepayments and accrued income	3,105,472	1,160,476	2,756,981	604,812
Other receivables	787,730	1,706,067	485,411	1,706,063
	53,715,348	**43,288,075**	**54,890,470**	**41,520,716**
Analysed as follows:				
Current portion	52,245,757	41,582,008	53,420,879	39,814,653
Non-current portion	1,469,591	1,706,067	1,469,591	1,706,063
	53,715,348	**43,288,075**	**54,890,470**	**41,520,716**

Trade receivables expected to be recovered within one year include retentions of ₦5.33 Billion (2012:₦4.23 Billion) 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 22.3) against all receivables over six years 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 credit quality of individual customers, receivables that in dispute, financial standing of customers and the willingness of the customers to pay.

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.

22.1 Age of receivables that are past due but not impaired

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
0 – 3 years	46,120,456	39,073,043	45,794,994	37,317,040
Above 3 years	7,777,788	676,954	7,770,125	676,954
	53,898,244	**39,749,997**	**53,565,119**	**37,993,994**

22.2 Age of receivables that are past due but impaired

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
0 – 3 years	–	321,393	–	310,037
Above 3 years	1,896,822	3,216,685	1,831,360	3,216,685
	1,896,822	**3,538,078**	**1,831,360**	**3,526,722**

22.3 Allowances for credit losses

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at January 1	1,539,715	1,510,520	1,443,759	1,422,770
Impairment losses recognised on receivables	416,376	1,302,568	387,601	1,291,212
Amounts written off during the year as uncollectible	(33,256)	(800,989)	–	(800,990)
Amounts recovered during the year	(26,013)	(3,150)	–	–
Impairment losses reversed	–	(469,234)	–	(469,233)
Balance at December 31	**1,896,822**	**1,539,715**	**1,831,360**	**1,443,759**

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

22.4 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.

22.5 Contract and retention receivables

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at January 1	28,837,622	39,610,623	26,959,565	39,522,873
Movement in the year	16,460,646	(9,329,242)	17,722,805	(11,119,549)
	45,298,268	**30,281,381**	**44,682,370**	**28,403,324**
Allowances	(1,896,822)	(1,443,759)	(1,831,360)	(1,443,759)
Balance at December 31	**43,401,446**	**28,837,622**	**42,851,010**	**26,959,565**

23. Tax receivables

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at January 1	39,046,939	35,884,295	38,451,730	35,507,335
Movement in the year	4,686,041	7,979,130	4,445,125	7,714,486
Utilised as tax offset	(3,498,964)	(2,943,921)	(3,479,006)	(2,897,526)
	40,234,016	**40,919,504**	**39,417,849**	**40,324,295**
Allowances	(1,727,572)	(1,872,565)	(1,727,572)	(1,872,565)
Balance at December 31	**38,506,444**	**39,046,939**	**37,690,277**	**38,451,730**
Made up as follows:				
Current portion	7,430,849	13,089,156	7,376,605	13,082,788
Non-current portion	31,075,595	25,957,783	30,313,672	25,368,942
	38,506,444	**39,046,939**	**37,690,277**	**38,451,730**

Tax receivables include credit notes confirmed by the Federal Inland Revenue Service of ₦5.7 Billion (2012:₦10.2 Billion) relating to deductions of withholding tax on approved certificates made by various clients and advance payment of VAT on contract of ₦13.8 Billion (2012: ₦13.1 Billion). The remaining balance represents deductions on withholding tax for which the credit notes have not been received and thus not confirmed by the Federal Inland Revenue Service.

24. Issued capital and dividend

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Share Capital (Note 24.1)	–	–	600,000	600,000
Share Premium	–	–	425,440	425,440
	–	**–**	**1,025,440**	**1,025,440**

The authorised share capital of the Company is ₦622,500 Million (2012: ₦622,500 Million). This comprises 1,245 Million (2012: 1,245 Million) ordinary shares of 50 Kobo each. Issued and fully paid share capital consists of 1,200 Million shares at 50 Kobo each. All the ordinary shares rank parri passu in all respects. To the Company's knowledge and belief, there are no restrictions on the transfer of shares in the Company or on voting rights between holders of shares.

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

The Directors are proposing in respect of the financial year ended December 31, 2013 a final dividend of 270 Kobo per share (2012: 250 Kobo), which will absorb an estimated ₦3.2 Billion (2012: ₦3 Billion) of equity and the capitalisation of the sum of ₦60 Million out of the balance standing to the credit of the Retained Earnings of the Company, as at December 31, 2013, which sum shall be applied in paying for a bonus issue of 1 (One) new ordinary share of 50 Kobo each for every 10 (Ten) ordinary shares now held. Subject to approval, the dividend will be paid on June 20, 2014, and both the dividend and the bonus shares will be paid and issued, as the case maybe, to shareholders on the register of members as at close of business on May 30, 2014. The bonus shares shall not rank for dividend recommended by the Directors in respect of the year ended December 31, 2013. The dividend has not been provided for and withholding tax will be deducted at the appropriate rate when payment is made.

25. Non-controlling interest

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000
Balance at beginning of year	121,171	36,759
Share of profit for the year	309,453	42,143
Dividend paid to non-controlling interest	–	–
Share of foreign currency translation reserve	51,656	24,777
Purchase of non-controlling interest	(24,240)	–
Non-controlling interests arising on the acquisition of JBI	–	17,492
Balance at end of year	**458,040**	**121,171**

26. Borrowings

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Bank overdrafts	15,883,639	8,208,260	15,883,639	8,208,260
Term loan	9,830,914	–	9,830,914	–
	25,714,554	**8,208,260**	**25,714,554**	**8,208,260**
Made up as follows:				
Current portion	19,279,413	8,208,260	19,279,413	8,208,260
Non-current portion	6,435,141	–	6,435,141	–
	25,714,554	**8,208,260**	**25,714,554**	**8,208,260**

Bank overdrafts comprise various facilities obtained by the Group to meet import financing and working capital requirements. There is a debenture over the floating assets stamped and registered for ₦700 Million and used as collateral for the bank overdraft facilities.

This represents a term loan secured from HSBC Bank London. The loan is to finance supply of capital goods and related services with German exporters up to a maximum aggregate amount of €62,720,000. The loan is with a tenure of four years. Interest is payable half yearly at six months above EURIBOR plus 1.2 margin. 85% of the loan is secured by Hermes Euler Credit Recovery Insurance. The facility is guaranteed by Zenith Bank Nigeria Plc.

26.1 Term loan movement schedule

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000
Balance at beginning of year	–	1,257,104
Additions in the year	12,526,621	–
Repayment in the year	(3,206,144)	(1,257,104)
Exchange difference on translation	510,437	–
Balance at end of year	**9,830,914**	**–**
Made up as follows:		
Current portion	3,395,773	–
Non-current portion	6,435,141	–
	9,830,914	**–**

27. Retirement benefit liabilities

27.1 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 and employer at 7.5 % each of relevant emoluments, is consistent with the Pension Reform Act 2004.

Staff pensions	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at beginning of year	84,171	65,567	48,657	48,677
Provision during the year	1,404,381	1,257,051	1,283,075	1,199,581
Remittance to pension fund administrators	(1,364,292)	(1,238,444)	(1,262,134)	(1,199,601)
Balance at end of year	**124,260**	**84,174**	**69,598**	**48,657**

The balance outstanding at end of year represents pension deductions of members of staff who are yet to complete their account opening procedures with any of the pension fund administrator. The total expense for the defined contribution plans amounted to ₦1.3 Billion (2012: ₦1.2 Billion).

27.2 Defined benefit plan – Discontinued scheme

Prior to 2011, the Group has a retirement benefit plan for which provisions are made in the financial statement for estimated 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. The provisions are reviewed at each reporting date to reflect the current best estimate.

In 2012, an agreement was reached between the construction industry and the National Joint Industrial Council to liquidate the accumulated staff retirements benefits before the retirement age of all employees and henceforth, to settle the severance benefit and gratuities on annual basis. The provisions made to date on the scheme were equal to the liability agreed with staff members. In 2012, the Group commenced payment of the outstanding staff retirement benefits and completed payment in the 2013 financial year.

The amount outstanding at the financial year end is as stated below:

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at beginning of year	4,592,205	10,409,433	4,477,788	10,299,937
Provision during the year	–	–	–	–
Payments during the year	(4,592,205)	(5,817,228)	(4,477,788)	(5,752,149)
Balance at end of year	**–**	**4,592,205**	**–**	**4,477,788**

Present value of defined benefit obligation is as follows:

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Present value of unfunded defined benefit obligation	2,033,004	1,656,643	1,678,155	1,449,205
Net actuarial gains / (losses) not recognised	–	–	–	–
Net liability arising from defined benefit obligation	**2,033,004**	**1,656,643**	**1,678,155**	**1,449,205**

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Opening defined benefit obligation	1,656,643	–	1,449,205	–
Current Service cost	279,638	1,656,643	132,227	1,449,205
Interest on defined benefit obligation	152,167	–	152,167	–
Actuarial gains / (losses) due to experience adjustment	(55,444)	–	(55,444)	–
Closing defined benefit obligation	**2,033,004**	**1,656,643**	**1,678,155**	**1,449,205**

The amounts recognised in the Statement of Financial Position in respect of both the defined contribution plan and the defined benefit scheme are determined as follows:

Liability in the Statement of Financial Position	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Current portion	124,260	4,667,759	69,598	4,596,445
Non-current portion	2,033,004	1,656,643	1,678,155	1,449,205
	2,157,264	**6,324,402**	**1,747,753**	**6,045,650**
The amount recognised in profit or loss and included within staff costs (Note 11)	**1,684,019**	**1,490,348**	**1,415,302**	**1,449,205**

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Cost of sales	673,607	589,387	566,121	579,682
Administrative expenses	1,010,412	900,961	849,181	869,523
	1,684,019	**1,490,348**	**1,415,302**	**1,449,205**

27.3 Defined benefit plan – Ex gratia scheme

In the financial year 2012, 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 five years continuous service for ex-gratia and ten years continuous service for severance benefits.

There are no planned assets for the scheme as the Group believes 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 31/12/2013 %	Valuation at 31/12/2012 %
Discount rate(s)	13.5	10.4
Expected rate(s) of salary increase	12	12

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

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

Other assumptions are as follows:

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:	376,361	1,449,205	228,950	1,449,205
	376,361	**1,449,205**	**228,950**	**1,449,205**

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

28. Trade and other payables

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Trade payables	17,937,921	18,198,144	14,615,071	11,539,507
Other payables				
Amount owed to related entities (Note 32.2)	164,855	2,286,731	14,464,179	12,312,682
Other taxation and social security costs	330,257	2,582,623	330,257	2,582,623
Accruals and deferred income	8,843,825	7,800,280	3,942,861	3,676,722
Dividend payable	488,203	358,082	488,203	358,082
Other payables	6,251,524	1,895,203	243,796	1,012,082
Trade and other payables	**34,016,585**	**33,121,063**	**34,084,367**	**31,481,698**

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

Other taxation and social security costs represent deductions of VAT on advances and withholding taxes from suppliers and sub-contractors yet to be remitted to the Federal Inland Revenue Service.

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

29. Provisions

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Balance at beginning of year	400,000	–	400,000	–
Provision no longer required	(400,000)	–	(400,000)	–
Provision for the year	–	400,000	–	400,000
Balance at end of year	**–**	**400,000**	**–**	**400,000**
Current	–	400,000	–	400,000
Non-current	–	–	–	–
	–	**400,000**	**–**	**400,000**

Provision for judgement debt relates to a court case in which a judgement debt in the sum of ₦400 Million is provided for in the 2012 Financial Statements and settled in 2013 financial year.

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Profit for the year	8,425,344	8,260,463	4,733,213	7,772,055
Adjustments for				
Investment income	(19,949)	(838,767)	–	(647,810)
Finance costs	2,961,864	2,709,908	2,942,892	2,708,783
Depreciation of property, plant and equipment	8,800,571	11,370,648	8,666,216	11,255,138
Impairment loss of property, plant and equipment	701,317	702,899	701,317	702,899
Depreciation of investment property	32,507	–	32,507	–
Gain on disposal of property, plant and equipment	(1,219,426)	1,683,016	(1,239,372)	(868,556)
Decrease / (increase) in provisions	3,770,833	1,363,062	211,934	1,278,177
Operating cash flows before movement in working capital	**23,453,060**	**25,251,229**	**16,048,707**	**22,200,686**
Decrease / (increase) in inventories	(388,116)	187,579	(402,404)	461,127
Decrease / (increase) in gross amount due from customers	(15,353,674)	2,042,107	(15,109,824)	2,042,107
Decrease / (increase) in trade and other receivables	(10,070,165)	3,074,291	(13,732,693)	5,913,026
Increase in tax receivable	685,488	(5,035,209)	761,453	(4,816,960)
(Decrease) / increase in retirement benefit liabilities	409,512	(4,358,036)	(3,681,909)	(4,302,964)
Increase in trade and other payables	895,525	12,152,016	2,025,931	11,524,652
(Decrease) / Increase in gross amount due to customers	12,308,758	(2,406,095)	21,636,260	(2,122,678)
Cash generated by operations	**11,940,385**	**30,907,882**	**7,545,521**	**30,898,996**
Movement in taxation	3,982,265	640,956	2,368,211	322,230
Net cash from operating activities	**15,922,650**	**31,548,838**	**9,913,732**	**31,221,226**

30.1 Analysis of cash, cash equivalents and net cash

Group	Balance at 01/01/2013 ₦000	Cash flow ₦000	Exchange and non-cash movements ₦000	Balance at 31/12/2013 ₦000
Cash and bank balances	10,731,468	9,744,181	–	20,475,649
Cash and cash equivalents	10,731,468	9,744,181	–	20,475,649
Borrowings (bank loans)	–	–	–	–
Borrowings (bank overdrafts)	(8,208,260)	(7,675,379)	–	(15,883,639)
	2,523,208	**2,068,802**	**–**	**4,592,010**

Company	Balance at 01/01/2013 ₦000	Cash flow ₦000	Exchange and non-cash movements ₦000	Balance at 31/12/2013 ₦000
Cash and bank balances	4,821,084	3,629,810	–	8,450,894
Cash and cash equivalents	4,821,084	3,629,810	–	8,450,894
Borrowings (bank loans)	–	–	–	–
Borrowings (bank overdrafts)	(8,208,260)	(7,675,379)	–	(15,883,639)
	(3,387,176)	**(4,045,569)**	**–**	**(7,432,745)**

31. Financial instruments

31.1 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 these Financial Statements.

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

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

The gearing ratio at the year end is as follows:

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Debt	25,714,554	8,208,260	25,714,554	8,208,260
Cash and cash balance	(20,475,649)	(10,731,468)	(8,450,894)	(4,821,084)
Net debt (i)	**5,238,905**	**(2,523,208)**	**17,263,660**	**3,387,176**
Equity (ii)	**21,034,428**	**15,144,180**	**16,310,338**	**14,521,681**
Net debt to equity ratio	**0.25**	**–**	**1.06**	**0.17**

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

31.2 Categories of financial instruments

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Financial Assets				
Loans and receivables				
Trade and other receivables	45,610,048	31,130,225	47,989,537	31,548,482
Tax receivables	40,234,016	40,919,504	39,417,849	40,324,295
Amount due from customers under construction contracts	20,898,658	5,544,984	20,654,808	5,544,984
Cash and bank balances	20,475,649	10,731,468	8,450,894	4,821,084
	127,218,371	**88,326,181**	**116,513,088**	**82,238,845**
Held to Maturity				
Other financial assets	–	4,125,734	–	4,125,734
Financial liabilities				
Amortised cost				
Borrowings	25,714,554	8,208,260	25,714,554	8,208,260
Retirement benefit liabilities	124,260	4,667,759	69,598	4,596,445
Trade and other payables	34,016,585	33,121,063	34,084,368	31,481,698
	59,855,399	**45,997,082**	**59,868,520**	**44,286,403**

31.3 Risk management

The Group has an integrated risk management system that identifies and measures the impact of the risks it faces. Further, 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.

31.3.1 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.

31.3.1.1 Interest rate risk management

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

31.3.1.2 Foreign currency risk management

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

The Group publishes its consolidated and separate 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 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Monetary assets / (liabilities) denominated in Euro				
Cash and bank balances	11,919,114	8,339,646	36,426	2,860,788
Trade receivables	18,743,382	18,622,137	5,403,048	15,015,817
Trade payables	(15,454,889)	(5,220,991)	(2,332,881)	(4,766,321)
	15,207,607	**21,740,792**	**3,106,593**	**13,110,284**
Monetary assets / (liabilities) denominated in US Dollar				
Cash and bank balances	53,581	(400,789)	29,180	(400,789)
Trade receivables	40,400	43,173	40,400	43,173
Trade payables	(146,600)	(941,609)	(186,724)	(941,609)
	(52,619)	**(1,299,225)**	**(117,144)**	**(1,299,225)**

10 % is the sensitivity rate used when reporting foreign currency risk internally to Key Management Personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 % change in foreign currency rates. Foreign exchange rate risk sensitivity to foreign exchange movements in the above example has been calculated on a symmetric basis.

The symmetric basis assumes that an increase or decrease in foreign exchange movement would result in the same amount.

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Naira strengthens by 10 % against Euro	(1,520,761)	(2,174,079)	(310,659)	(1,311,028)
Naira strengthens by 10 % against Dollar	5,262	129,923	11,714	129,923
Impact on reported profit	**(1,515,499)**	**(2,044,156)**	**(298,945)**	**(1,181,105)**
Naira weakens by 10 % against Euro	1,520,761	2,174,079	310,659	1,311,028
Naira weakens by 10 % against Euro	(5,262)	(129,923)	(11,714)	(129,923)
Impact on reported profit	**1,515,499**	**2,044,156**	**298,945**	**1,181,105**

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

31.3.2 Credit risk management

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

31.3.2.1 Trade receivables

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with government, government institutions and other top rated entities and individuals that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually. Further information can be found in Note 22.

31.3.2.2 Deposits with financial institutions

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

31.3.2.3 Exposure to credit risks

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

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Trade receivables (net)	43,401,446	28,837,622	42,851,010	26,959,565
Cash and bank balances	20,475,649	10,731,468	8,450,894	4,821,084
	63,877,095	**39,569,090**	**51,301,904**	**31,780,649**

31.3.2.4 Collateral held as security and other credit enhancements

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

31.3.3 Liquidity risk management

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

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

Group	< 1 year ₦000	1 – 3 years ₦000	3 – 6 years ₦000	Total ₦000
Financial assets				
Trade and other receivables	45,610,048	–	–	45,610,048
Tax receivables	9,158,421	31,075,595	–	40,234,016
Amount due from customers under construction contracts	20,898,658	–	–	20,898,658
Cash and bank balances	20,475,649	–	–	20,475,649
Other financial assets	–	–	–	–
	96,142,776	**31,075,595**	**–**	**127,218,371**
Financial liabilities				
Borrowings	25,714,554	–	–	25,714,554
Trade and other payables	34,016,585	–	–	34,016,585
Retirement benefit liabilities	124,260	–	–	124,260
	59,855,399	**–**	**–**	**59,855,399**

Company	< 1 year ₦000	1 – 3 years ₦000	3 – 6 years ₦000	Total ₦000
Financial assets				
Trade and other receivables	47,989,537	–	–	47,989,537
Tax receivable	9,104,177	30,313,672	–	39,417,849
Amount due from customers under construction contracts	20,654,808	–	–	20,654,808
Cash and bank balances	8,450,894	–	–	8,450,894
Other financial assets	–	–	–	–
	86,199,416	**30,313,672**	**–**	**116,513,088**
Financial liabilities				
Borrowings	25,714,554	–	–	25,714,554
Trade and other payables	69,598	–	–	69,598
Other financial liabilities	34,084,368	–	–	34,084,368
	59,868,520	**–**	**–**	**59,868,520**

31.3.4 Fair value of financial instruments

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

32. Related party information

32.1 Identity of related entities

- Abumet Nigeria Ltd., Subsidiary
- Julius Berger Services Nigeria Ltd., Subsidiary
- PrimeTech Design and Engineering Nigeria Ltd., Subsidiary
- Julius Berger Medical Services Ltd., Subsidiary
- Julius Berger International GmbH, Subsidiary
- Julius Berger Investments Ltd., Subsidiary
- Bilfinger SE, Major Shareholder
- Construction Engineering Contracting GmbH, Sub-subsidiary
- Key Management personnel (Note 32.4)

Abumet Nigeria Ltd.

This is a 90 % (2012: 70%) owned subsidiary of Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from purchase of goods and services, to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

Julius Berger Services Nigeria Ltd.

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

PrimeTech Design and Engineering Nigeria Ltd.

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

Julius Berger Medical Services Ltd.

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

Julius Berger International GmbH

This is a 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 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.

Bilfinger SE

This is an associated company which owns 33.4 % stake in Julius Berger Nigeria Plc. The company entered into various transactions with the related party ranging from provision of technical service and knowhow, 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 90 % owned subsidiary of Julius Berger Nigeria Plc). The company did not enter into any transactions with the related party in the period.

32.2 Outstanding balances

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Due from related entities				
Abumet Nigeria Ltd.	–	–	986,821	937,665
Julius Berger Services Nigeria Ltd.	–	–	864,968	743,274
PrimeTech Design and Engineering Ltd.	–	–	219,074	303,169
Julius Berger Medical Services Ltd.	–	–	948,285	426,706
Julius Berger International GmbH	–	–	–	–
Julius Berger Investments Ltd.	–	–	–	–
Bilfinger SE	932	666,938	932	666,938
	932	**666,938**	**3,020,080**	**3,077,752**
Due to related entities				
Abumet Nigeria Ltd.	–	–	183,080	424,472
Julius Berger Services Nigeria Ltd.	–	–	254,084	169,389
PrimeTech Design and Engineering Ltd.	–	–	23,076	16,448
Julius Berger Medical Services Ltd.	–	–	613,774	105,709
Julius Berger International GmbH	–	–	13,390,165	9,309,933
Julius Berger Investments Ltd.	–	–	–	–
Bilfinger SE	164,855	2,286,731	–	2,286,731
	164,855	**2,286,731**	**14,464,179**	**12,312,682**

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

32.3 Related party transactions

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

	Group Sale of goods & services ₦000	Group Purchase of goods & services ₦000	Company Sale of goods & services ₦000	Company Purchase of goods & services ₦000
Bilfinger SE	–	2,318,317	–	2,318,317
Julius Berger Services Nigeria Ltd.	–	–	649,752	2,116,834
Abumet Nigeria Ltd.	–	–	870,980	954,005
PrimeTech Design and Engineering Ltd.	–	–	414,395	172,418
Julius Berger Medical Services Ltd.	–	–	1,428,201	1,640,566
Julius Berger International GmbH	–	–	2,124	51,893,049
Julius Berger Investment Ltd.	–	–	–	–
	–	**2,318,317**	**3,365,452**	**59,095,189**

32.4 Remuneration of Key Management personnel

Key Management personnel (Note 3.22) is as follows:

- AVM (Dr.) Mohammed Nurudeen Imam, CFR, Chairman
- Engr. Heinz Stockhausen (German), Vice Chairman
- Engr. Wolfgang Goetsch (Austrian), Managing Director
- Mr. Wolfgang Kollermann (German), Financial Director
- Mr. David Herron (Australian), Director Operation
- Alhaji Zubairu Bayi, Director Administration
- HRH Igwe Peter Nwokike Anugwu, JP, OFR, Independent Director
- Engr. Jafaru Damulak, Director
- Mr. Macdonald Olarinde Tubi, Director
- Mr. Harold Samuel Tsumba, Director
- Dr. Ernest Nnaemeka Azudialu-Obiejesi, Director
- Mr. George Marks (German), Director

Remuneration of Key Management personnel is as follows:

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Short term benefits	432,925	206,350	401,814	175,800
Long term benefits	–	–	–	–
Post-employment benefits	–	–	–	–
Termination benefits	4,791	–	–	–

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

32.5 Details of loans from / to Key Management personnel

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

32.6 Identification of the ultimate controlling party of Julius Berger Nigeria Plc

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

32.7 Other information on Key Management personnel

	Group 31/12/2013 ₦000	Group 31/12/2012 ₦000	Company 31/12/2013 ₦000	Company 31/12/2012 ₦000
Emoluments				
Chairman	4,500	3,000	4,500	3,000
Other Directors	433,216	203,360	397,314	172,800
	437,716	**206,360**	**401,814**	**175,800**
Fees	18,000	13,800	18,000	13,800
Other emoluments	419,716	192,560	383,814	162,000
	437,716	**206,360**	**401,814**	**175,800**
Highest paid Director	**136,691**	**88,000**	**136,691**	**88,000**

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

₦190,001 – ₦3,000,000	7	7	7	7
₦3,000,001 and above	7	2	5	2
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.

33. Guarantees and other financial commitments

33.1 Guarantee, pledge or financial commitments

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

33.2 Contingent liabilities

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

33.3 Financial commitments

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

34. Events after the reporting period

There were no material events after the reporting period which could have had material effect on the state of affairs of the Group as at December 31, 2013 and the profit for the year then ended date that have not been adequately provided for or recognised in the Financial Statements.

35. Approval of Financial Statements

The Financial Statements were approved by the Board of Directors and authorised for issue on March 19, 2014.

Additional Information

for the Year Ended December 31, 2013

Statement of

Value Added

"Value added" represents the additional wealth which the Group and the Company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth between the employees, providers of capital, government and that retained for the future creation of more wealth.

Revenue
Bought-in materials and services
Foreign
Local
Value added
Applied as follows:
To pay employees
Staff costs
To pay providers of capital
Finance costs
To pay government
Taxation
Retained for future replacement of assets and expansion of business
Depreciation
Deferred tax
Retained earning
Non-controlling interest

Group 2013 ₦000	Group 2013 %	Group 2012 ₦000	Group 2012 %	Company 2013 ₦000	Company 2013 %	Company 2012 ₦000	Company 2012 %
212,737,291	**–**	**201,565,276**	**–**	**184,212,185**	**–**	**196,954,713**	**–**
(53,189,503)	–	(25,090,429)	–	(52,382,489)	–	(25,072,100)	–
(79,470,352)	–	(100,361,718)	–	(64,916,822)	–	(100,288,402)	–
80,077,436	**–**	**76,113,129**	**–**	**66,912,874**	**–**	**71,594,211**	**–**
51,522,461	64	49,443,312	65	44,272,293	66	46,085,310	64
2,961,864	4	2,709,908	3	2,942,892	5	2,708,783	4
6,157,450	8	3,571,777	5	4,133,214	6	3,047,502	4
8,800,571	11	11,370,648	15	8,666,216	13	11,255,138	16
2,209,746	3	757,021	1	2,109,602	3	725,423	1
8,064,235	10	8,193,543	11	4,788,657	7	7,772,055	11
361,109	–	66,920	–	–	–	–	–
80,077,436	**100**	**76,113,129**	**100**	**66,912,874**	**100**	**71,594,211**	**100**

Three-Year

Financial Summary

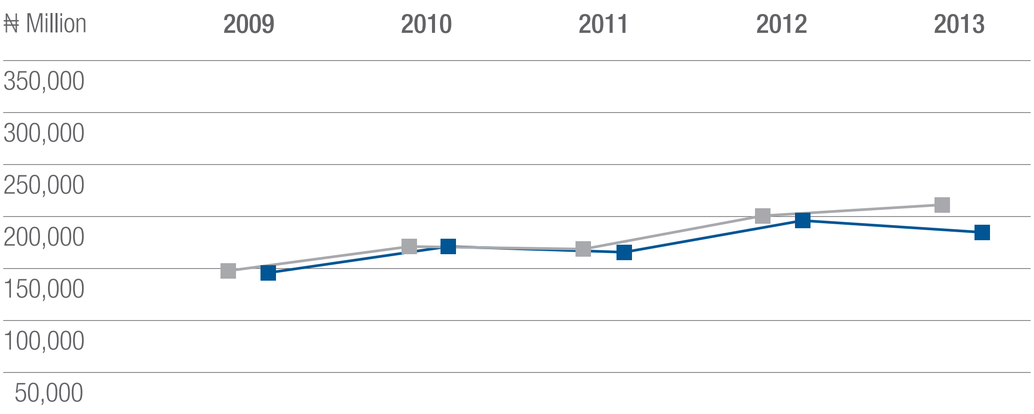
Earnings, dividend and net asset per share are based on profit after tax attributable to equity holders of the parent and the number of issued and fully paid ordinary shares at the end of each financial year.

Balance Sheet
Non-current assets
Property, plant and equipment
Goodwill
Other intangible assets
Investment property
Investment in subsidiaries
Trade and other receivables
Tax receivables
Deferred tax assets
Other financial assets
Net current liabilities
Non-current liabilities
Borrowings
Retirement benefits liabilities
Deferred tax liabilities
Amount due to customers under construction contracts
Net Assets
Capital and reserves
Share capital
Share premium
Foreign currency translation reserve
Retained earnings
Attributable to equity holders of the parent
Non-controlling interest
Turnover and profit
Revenue
Profit before taxation
Profit after taxation
Dividend
Earnings per ordinary share (₦)
Actual
Diluted/Adjusted
Net Asset per share (₦)
Actual
Diluted/Adjusted
Dividend per share (₦)
Actual
Diluted/Adjusted
Dividend cover (times)

Group 2013 ₦000	Group 2012 ₦000	Group 2011 ₦000	Group 2010 ₦000	Company 2013 ₦000	Company 2012 ₦000	Company 2011 ₦000	Company 2010 ₦000
67,995,915	57,079,027	55,421,778	60,136,274	66,542,850	56,172,990	54,650,926	59,843,793
4,842,708	4,634,422	–	–	–	–	–	–
118,297	127,935	–	–	–	–	–	–
780,177	–	–	–	780,177	–	–	–
–	–	–	–	12,195,207	11,375,207	273,990	196,275
1,469,591	1,706,067	161,554	–	1,469,591	1,706,063	161,544	–
31,075,595	25,957,783	12,458,367	10,864,756	30,313,672	25,368,942	12,280,502	10,658,983
7,468,271	3,017,036	3,362,383	3,519,364	7,772,392	2,899,471	3,244,818	3,418,624
–	4,125,734	–	–	–	4,125,734	–	–
8,303,547	13,574,847	37,879,917	(27,920,528)	(7,772,392)	7,354,969	38,428,278	(27,761,650)
122,054,101	**110,222,851**	**109,283,999**	**46,599,865**	**117,314,045**	**109,003,376**	**109,040,058**	**46,356,025**
(6,435,141)	–	–	(1,238,397)	(6,435,141)	–	–	(1,238,397)
(2,033,004)	(1,656,643)	–	–	(1,678,155)	(1,449,205)	–	–
(12,336,676)	(5,666,877)	(5,440,300)	(5,172,521)	(12,675,558)	(5,693,035)	(5,312,958)	(5,045,101)
(80,214,852)	(87,755,151)	(94,097,474)	(32,455,517)	(80,214,852)	(87,339,455)	(94,097,474)	(32,455,518)
21,034,428	**15,144,180**	**9,746,225**	**7,733,430**	**16,310,338**	**14,521,681**	**9,629,626**	**7,617,009**
600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
425,440	425,440	425,440	425,440	425,440	425,440	425,440	425,440
687,896	222,992	–	–	–	–	–	–
18,863,052	13,774,577	8,684,026	6,677,321	15,284,898	13,496,241	8,604,186	6,591,569
20,576,388	**15,023,009**	**9,709,466**	**7,702,761**	**16,310,338**	**14,521,681**	**9,629,626**	**7,617,009**
458,040	121,171	36,759	40,669	–	–	–	–
21,034,428	**15,144,180**	**9,746,225**	**7,733,430**	**16,310,338**	**14,521,681**	**9,629,626**	**7,617,009**
212,737,291	201,565,276	169,413,371	173,690,552	184,212,185	196,954,713	167,398,723	171,874,300
16,220,536	12,341,492	9,933,147	8,014,197	10,976,029	13,496,241	9,873,637	7,962,201
8,064,235	8,193,543	4,411,998	2,804,105	4,788,657	7,772,055	4,411,820	2,774,825
–	3,000,000	2,880,000	2,400,000	–	3,000,000	2,880,000	2,400,000
6.72	6.83	3.68	2.33	3.99	6.48	3.68	2.31
6.72	6.83	3.68	2.33	3.99	6.48	3.68	2.31
17.53	12.62	8.12	6.44	13.59	12.10	8.02	6.35
17.53	12.62	8.12	6.44	13.59	12.10	8.02	6.35
–	2.50	2.40	2.00	–	2.50	2.40	2.00
–	2.50	2.40	2.00	–	2.50	2.40	2.00
–	2.59	1.53	1.17	–	2.59	1.53	1.16

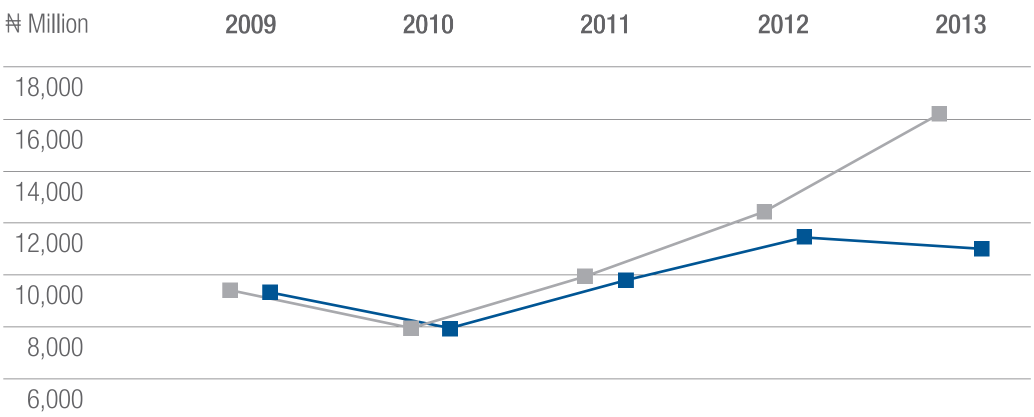
Profitability

Turnover



₦ Million	2009	2010	2011	2012	2013
Group	150,358	173,691	169,413	201,565	212,737
Company	148,426	171,874	167,399	196,955	184,212

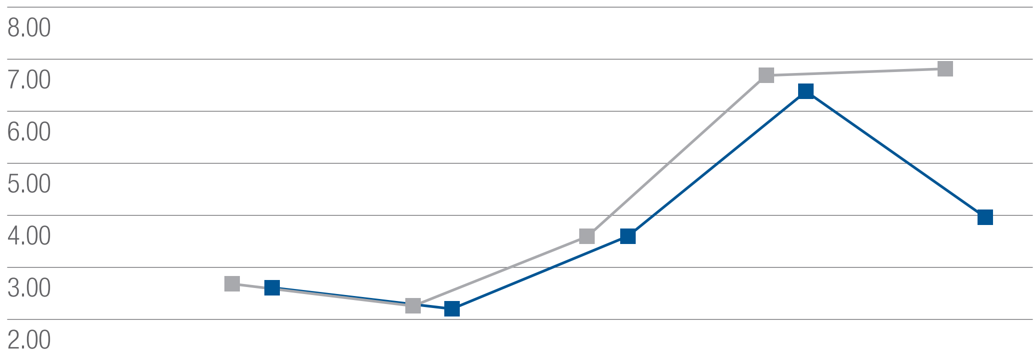
Profit Before Tax



₦ Million	2009	2010	2011	2012	2013
Group	9,444	8,014	9,933	12,341	16,221
Company	9,369	7,962	9,874	11,545	10,976

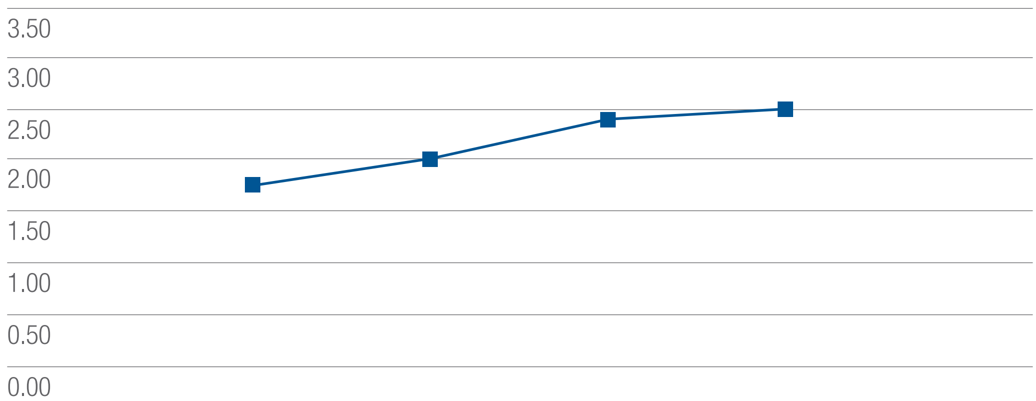
Earnings Analysis

Earnings per Share



₦	2009	2010	2011	2012	2013
Group	2.75	2.33	3.68	6.83	6.94
Company	2.72	2.31	3.68	6.48	3.99

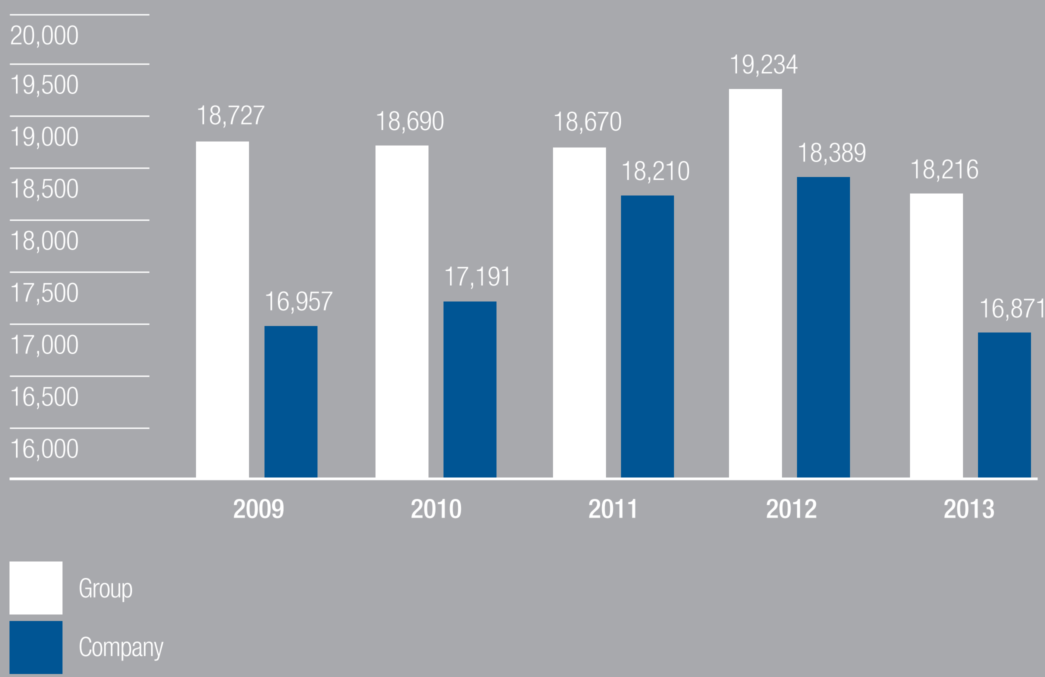
Dividend per Share



₦	2009	2010	2011	2012	2013
Company	1.75	2.00	2.40	2.50	

Staff Strength

Number of Staff



Share Capital History

Year	Authorised Share Capital Nominal Value		Issued and Paid-Up Share Capital	
	Number of Shares	₦	Number of Shares	₦
1970	400,000	200,000	400,000	200,000
1972	1,800,000	900,000	1,793,200	896,600
1974	3,000,000	1,500,000	2,993,200	1,496,600
1976	4,000,000	2,000,000	4,000,000	2,000,000
1977	11,600,000	5,800,000	–	–
1978	24,000,000	12,000,000	24,000,000	12,000,000
1990	60,000,000	30, 000,000	–	–
1991	–	–	48,000,000	24,000,000
1992	–	–	60,000,000	30,000,000
1993	90,000,000	45,000,000	90,000,000	45,000,000
1996	180,000,000	90,000,000	180,000,000	90,000,000
2000	225,000,000	112,500,000	225,000,000	112,500,000
2001	270,000,000	135,000,000	–	–
2005	345,000,000	172,500,000	300,000,000	150,000,000
2008	1,245,000,000	622,500,000	1,200,000,000	600,000,000

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.

Shareholder Forms

Our Esteemed Shareholders,

Several of you, our Esteemed Shareholders, and indeed the Regulators, have expressed to the Board their concerns about the unclaimed dividend balances as well as the status of unclaimed certificates. After discussing with the Registrars, it was recognised that the Company, the shareholders and Registrars share the burden of ensuring that the balance on the unclaimed dividends account is kept well reduced and evidence of holdings properly documented. To this end, all shareholders of Julius Berger Nigeria Plc with unclaimed dividends and certificates are urged to come forward to claim their dividends and certificates.

Shareholders are also encouraged to:

1. Inform the Registrars promptly of any change of address or significant information that may affect your 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 hereunder 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 of shareholders, forward advice slips of payment(s) made to such shareholders.

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 hereby attach the Authority to Mandate and Change Information Form, which is also available on the investor relations portal on the Company's website, www.julius-berger.com, as well as on the website of the Registrar, Union Registrars Ltd., or at their address at 2 Burma Road, Apapa P.M.B 12717 Lagos, for your use.

The filled-in form should be deposited with any of the offices of the Registrars nationwide or with the Company Secretary at our Head Office, 10 Shettima A. Munguno Crescent, Utako, Abuja FCT, or our Lagos Office, 16 Ijora Causeway, Lagos.

We urge you to take advantage of the form and the opportunity it presents to ease shareholder management.

Yours sincerely,

Cecilia Ekanem Madueke (Mrs)
Company Secretary

JULIUS BERGER

Proxy Form

44th Annual General Meeting of Julius Berger Nigeria Plc to be held at the Shehu Musa Yar'Adua Centre, 1 Memorial Drive, Abuja FCT on Thursday June 19, 2014 at 11:00 a.m. in the forenoon.

I/We being a member/members of Julius Berger Nigeria Plc hereby appoint the person named below or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 44th Annual General Meeting of that Company to be held on June 19, 2014 and at every adjournment thereof.

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

Shareholder Name

Proxy Name

Date (dd/mm/yyyy)

Shareholder's Signature

Notes

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

Nos.	Resolutions	For	Against
1.	To declare a dividend		
2.	To re-elect Mr. Macdonald Olarinde Tubi as a Director		
3.	To re-elect Mr. Harold Samuel Tsumba, Esq. as a Director		
4.	To re-elect Dr. Ernest Nnaemeka Azudialu-Obiejesi as a Director		
5.	To appoint Messrs. Nexia-Agbo Abel & Co. as External Auditors		
6.	To authorise the Directors to fix the remuneration of Auditors		
7.	To elect members of the Audit Committee		
8.	To fix the remuneration of Directors		
9.	To increase the Authorised Share Capital		
10.	To declare a Bonus		
11.	To authorise the Directors to deal with the fractional shares arising from the Bonus		
12.	To raise additional capital		
13.	To authorise the Directors to give effect to the resolutions on increase		
14.	To authorise a special placement		
15.	To authorise the Directors to appoint professional advisers		
16.	To amend the Memorandum and Articles of Association		
17.	To amend the Articles of Association		

Admission Card

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

Please admit the person named below at the 44th Annual General Meeting of Julius Berger Nigeria Plc to be held at 11:00 a.m. in the forenoon on Thursday June 19, 2014, at the Shehu Musa Yar'adua Centre,1 Memorial Drive, Abuja FCT.

Cecilia Ekanem Madueke (Mrs.)
Company Secretary

Attendee's Name

Signature of Attendee

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 Annual General Meeting.
2. Shareholders of their proxies must sign this authority for admission before attending the Meeting.

For Registrar / Company Use Only

Shareholder Name

Number of Shares

Please fold here for posting.

Please affix postage stamp here

The Registrars
Union Registrars Ltd.
2 Burma Road
Apapa
Lagos

Tear off from here.

JULIUS BERGER

Authority to Mandate and Change of Address

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

GSM Number

Email

Telephone Number

Shareholder Name

Date (dd/mm/yyyy)

Shareholder Signature

Corporate shareholders should please execute and seal in accordance with the provisions of their Articles of Association.

Please fold here for posting.

Please affix
postage
stamp here

The Registrars
Union Registrars Ltd.
2 Burma Road
Apapa
Lagos

Please fold here for posting.

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