



**ARBICO PLC**  
**UNAUDITED FINANCIAL STATEMENT**  
**FOR PERIOD ENDED 31<sup>st</sup> DECEMBER, 2020**

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**Result at a Glance:**

	THE GROUP		THE COMPANY	
	2020 DEC N '000	2019 DEC N '000	2020 DEC N '000	2019 DEC N '000
Revenue	5,558,355	6,080,294	5,294,489	5,871,282
Profit/Loss Before Tax	(387,904)	74,190	327,936	126,069
Earnings per share	(3.27)	3.56	1.50	3.90

**BY ORDER OF THE BOARD**



**COMPANY SECRETARY**  
**FRC/2013/NBA/00000000001615**

**26<sup>th</sup> January, 2021**

ARBICO PLC									
UNAUDITED CONSOLIDATED & SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME									
FOR THE PERIOD ENDED 31 DECEMBER 2020									
NOTES	THE GROUP				THE COMPANY				
	12 MONTHS JAN-DEC 2020 N'000	3 MONTHS OCT-DEC 2020 N'000	12 MONTHS JAN-DEC 2019 N'000	3 MONTHS OCT-DEC 2019 N'000	12 MONTHS JAN-DEC 2020 N'000	3 MONTHS OCT-DEC 2020 N'000	12 MONTHS JAN-DEC 2019 N'000	3 MONTHS OCT-DEC 2019 N'000	
	Revenue	3	5,558,355	1,642,006	6,080,294	2,002,402	5,294,489	1,468,714	5,871,282
Cost of Sales		(4,566,642)	(925,620)	(4,095,077)	(870,188)	(3,741,446)	(683,072)	(3,948,873)	(829,723)
Gross Profit		991,713	716,386	1,985,217	1,132,214	1,553,042	785,641	1,922,409	1,138,862
Other Operating Income	4	92,648	14,292	52,092	757,203	92,648	14,292	52,092	757,203
Operating Expenses		(1,472,265)	(682,319)	(1,963,119)	(262,020)	(1,317,754)	(646,797)	(1,848,432)	(207,110)
Operating Profit before Tax		(387,904)	48,359	74,190	1,627,397	327,936	153,136	126,069	1,688,955
Income Tax Expenses		(104,940)	-	453,431	-	(104,940)	-	453,431	-
Profit For The Period		(492,843)	48,359	527,621	1,627,397	222,997	153,136	579,500	1,688,955
Other comprehensive income		-	-	-	-	-	-	-	-
Total Comprehensive (loss)/Income attributable to:		(492,843)	48,359	527,621	1,627,397	222,997	153,136	579,500	1,688,955
Equity holders of parent		(485,685)	49,407	528,140	-				
Non Controlling Interest		(7,158)	(1,048)	(519)	-				
<b>EARNINGS PER SHARE</b>									
Basic (k)		(3.27)	0.33	3.56	10.96	1.50	1.03	3.90	11.37
Diluted (k)		(3.27)	0.33	3.56	10.96	1.50	1.03	3.90	11.37

ARBICO PLC UNAUDITED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020					
	NOTES	THE GROUP		THE COMPANY	
		DEC 2020	DEC 2019	DEC 2020	DEC 2019
		N'000	N'000	N'000	N'000
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
Property Plant and Equipment	5	1,124,044	1,611,630	979,193	1,500,078
Intangible Assets	7	1,664	4,080	1,664	4,080
Deferred Tax Asset		622,697	622,697	622,697	622,697
Investment in Subsidiary		-	-	27,104	27,104
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,748,405</b>	<b>2,238,407</b>	<b>1,630,658</b>	<b>2,153,959</b>
<b>CURRENT ASSETS</b>					
Inventories		1,205,868	231,126	1,205,868	231,126
Trade and Other Receivables	8	5,681,177	4,926,333	6,219,059	4,724,919
Prepayments		30,787	27,794	25,468	23,183
Cash, Bank & Cash Equivalents		444,595	351,110	356,207	257,652
<b>TOTAL CURRENT ASSETS</b>		<b>7,362,427</b>	<b>5,536,363</b>	<b>7,806,602</b>	<b>5,236,880</b>
<b>TOTAL ASSETS</b>		<b>9,110,832</b>	<b>7,774,770</b>	<b>9,437,260</b>	<b>7,390,839</b>
<b>LIABILITIES</b>					
<b>NON - CURRENT LIABILITIES</b>					
Share Deposit		1,950,000	1,950,000	1,950,000	1,950,000
<b>TOTAL NON CURRENT LIABILITY</b>		<b>1,950,000</b>	<b>1,950,000</b>	<b>1,950,000</b>	<b>1,950,000</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	9	5,173,057	3,273,319	5,173,057	3,367,414
Advance from clients		3,055,554	3,262,209	2,510,156	2,628,466
Income tax payable		320,427	190,566	320,427	190,566
<b>TOTAL CURRENT LIABILITY</b>		<b>8,549,038</b>	<b>6,726,094</b>	<b>8,003,640</b>	<b>6,186,446</b>
<b>TOTAL LIABILITY</b>		<b>10,499,038</b>	<b>8,676,094</b>	<b>9,953,640</b>	<b>8,136,446</b>
<b>EQUITY</b>					
Share Capital		74,250	74,250	74,250	74,250
Share Premium		141,184	141,184	141,184	141,184
Retained Earnings		(2,457,126)	(1,977,403)	(1,593,747)	(1,822,975)
Reserve Surplus		861,934	861,934	861,934	861,934
Non Controlling Interest		(8,447)	(1,289)	-	-
<b>TOTAL EQUITY</b>		<b>(1,388,205)</b>	<b>(901,324)</b>	<b>(516,380)</b>	<b>(745,607)</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>9,110,833</b>	<b>7,774,770</b>	<b>9,437,260</b>	<b>7,390,839</b>

Approved by the Board on:  
25<sup>th</sup> January, 2021



**Alkimos Makaronidis**  
Director  
FRC/2019/ODN/00000019977



**Afolabi Aiyeola**  
Director  
FRC/2015/ODN/00000012842



**Oluyemi Akinfenwa**  
Financial Controller  
FRC/2012/CAN/0000000449



**Eyo Asuquo**  
Director  
FRC/2017/CIBN/0000000016193

**ARBICO PLC**  
**UNAUDITED CONSOLIDATED & SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Group						Company				
	Issued Capital N'000	Share Premium N'000	Asset revaluation surplus N'000	Other reserves N'000	Non Controlling Interest N'000	Total N'000	Issued Capital N'000	Share Premium N'000	Asset revaluation surplus N'000	Other reserves N'000	Total N'000
<b>As at 1 January 2020</b>	74,250	141,184	861,934	(1,971,441)	(1,289)	(895,362)	74,250	141,184	861,934	(1,816,744)	(739,376)
Profit for the year	-	-	-	(485,685)	(7,158)	(492,843)	-	-	-	222,997	222,997
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(485,685)	(7,158)	(492,843)	-	-	-	222,997	222,997
<b>At 31 December 2020</b>	<b>74,250</b>	<b>141,184</b>	<b>861,934</b>	<b>(2,457,126)</b>	<b>(8,447)</b>	<b>(1,388,205)</b>	<b>74,250</b>	<b>141,184</b>	<b>861,934</b>	<b>(1,593,747)</b>	<b>(516,379)</b>

For the period ended 31 December 2019	Group						Company				
	Issued Capital N'000	Share Premium N'000	Asset revaluation surplus N'000	Other reserves N'000	Non Controlling Interest N'000	Total N'000	Issued Capital N'000	Share Premium N'000	Asset revaluation surplus N'000	Other reserves N'000	Total N'000
<b>As at 1 January 2019</b>	74,250	141,184	861,934	(2,505,543)	(770)	(1,428,175)	74,250	141,184	861,934	(2,402,475)	(1,325,107)
Profit/(loss) for the year	-	-	-	528,140	(519)	527,621	-	-	-	579,500	579,500
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	528,140	(519)	527,621	-	-	-	579,500	579,500
<b>At 31 December 2019</b>	<b>74,250</b>	<b>141,184</b>	<b>861,934</b>	<b>(1,977,403)</b>	<b>(1,289)</b>	<b>(1,428,175)</b>	<b>74,250</b>	<b>141,184</b>	<b>861,934</b>	<b>(1,822,975)</b>	<b>(745,607)</b>


**ARBICO PLC**
**UNAUDITED CONSOLIDATED & SEPARATE STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED 31 DECEMBER 2020

	THE GROUP		THE COMPANY	
	2020 DEC N'000	2019 DEC N'000	2020 DEC N'000	2019 DEC N'000
<b>Operating activities</b>				
Profit before tax	(387,904)	74,190	327,936	126,069
<b>Adjustments to reconcile profit before tax to net cash flows</b>				
Depreciation of property, plant and equipment	696,284	416,581	657,752	407,672
Amortisation of intangible assets	2,416	950	2,416	950
Net Unrealized foreign exchange (gain)/loss		(55)	-	(55)
Profit on disposal of property, plant and equipment	(647)	(1,929)	(647)	(1,929)
Finance income	(2,657)	(16,586)	(2,657)	(16,586)
Impairment of receivables	540,662	877,974	540,662	877,974
Contract asset recognised in revenue	-	(1,854,127)	-	(1,854,127)
Contract liability recognised in revenue	-	(2,983,912)	-	(2,983,912)
	<b>848,154</b>	<b>(3,486,914)</b>	<b>1,525,462</b>	<b>(3,443,944)</b>
<b>Working capital adjustments</b>				
Increase in trade and other receivables	(574,646)	163,465	(1,166,072)	313,256
(Increase)/ decrease in prepayments	(2,993)	9,702	(2,285)	14,313
increase in inventories	(974,742)	(28,103)	(974,742)	(28,103)
Increase in contract asset	(180,197)	540,756	(328,069)	688,628
Increase/ (decrease) trade and other payables	1,924,659	(21,850)	1,830,564	72,245
Increase/(decrease) in advance from customers	(206,655)	3,262,209	(118,310)	2,628,466
<b>Cash flows from/(used in) operating activities</b>	<b>833,580</b>	<b>439,265</b>	<b>766,548</b>	<b>244,861</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>833,580</b>	<b>439,265</b>	<b>766,548</b>	<b>244,861</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(208,698)	(526,481)	(136,867)	(408,235)
Purchase of intangible assets	-	(4,780)	-	(4,780)
Finance income	2,657	16,586	2,657	16,586
Proceed from sale of property, plant and equipment	647	1,930	647	1,930
Advance payment in fixed deposit (restricted)	(309,859)	(38,459)	(409,820)	48,225
<b>Net cash flows used in investing activities</b>	<b>(515,253)</b>	<b>(551,204)</b>	<b>(543,383)</b>	<b>(346,274)</b>
Net increase/(decrease) in cash and cash equivalents	318,327	(111,939)	223,165	(101,413)
Net foreign exchange difference		55		55
Cash and cash equivalents at the beginning of the year	126,268	(14,385)	133,042	(31,684)
<b>Cash and cash equivalents at the end of the year</b>	<b>444,595</b>	<b>(126,269)</b>	<b>356,207</b>	<b>(133,042)</b>



## **ARBICO PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Corporate information**

Arbico Plc is a company incorporated on 18 June 1958 in Nigeria and commenced business thereafter. The company's shares were quoted on the Stock Exchange on November 30, 1978. Its principal activities comprise construction and civil engineering as well as investment in and operation of infrastructure. The registered office is located at Plot D Block 7 Industrial Crescent Ilupeju, Lagos.

#### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of the Financial Reporting Council of Nigeria Act, No. 6 2011, the provision of the Companies and Allied Matters Act, CAP 20 and the Laws of the Federation of Nigeria 2004 as applicable. The financial statements have been prepared on a historical cost basis, except for land and buildings that have been measured at fair value.

The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

#### **3. Revenue**

##### **Construction contracts**

The company principally operates fixed price contracts however sometimes the contract cost are varied due to additional works, If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity at year end (output method e.g. Surveys of Work completed to date) or obligations satisfied. In accordance with IFRS 15 revenue is recognized:

The outcome of a construction contract can be estimated reliably when:

- (i) The contract obligation has been performed.
- (ii) The work done can be accurately estimated or surveyed.
- (iii) The company's performance does not create an asset with an alternative use to the entity and the company has an enforceable right to payment for performance completed to date

When the work done does not satisfy these conditions the contract cost to date is held as a current asset (recoverable cost).

In applying output method, revenue recognized corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on survey of work done. Contract revenue not yet billed are recognized and consequently held as contract assets in current assets

Contract revenue — Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.





Contract costs — Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise; site labor costs (including site supervision); costs of materials used in construction; costs of design, cost of depreciation on plant and machinery and technical assistance that is directly related to the contract.

The company contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- (a) The separate proposals have been submitted for each asset
- (b) Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset
- (c) The costs and revenues of each asset can be identified

Contract cost for which their obligations have not been expressly stated or cannot be reliably measured are held as recoverable cost under current assets

A group of contracts are treated as a single construction contract when:

- (a) the group of contracts is negotiated as a single package;
- (b) the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin
- (c) the contracts are performed concurrently or in a continuous sequence

The three criteria must be met before combination can occur.

### 3. Revenue

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	DEC	DEC	DEC	DEC
	N '000	N '000	N '000	N '000
Revenue	5,558,355	6,080,294	5,294,489	5,871,282
Profit/Loss Before Tax	(387,904)	74,190	327,936	126,069
Earnings per share	(2.56)	3.56	2.21	3.90

#### 4. Other Income:

	THE GROUP		THE COMPANY	
	DEC	DEC	DEC	DEC
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Claims on Insurance	-	11,437	-	11,437
Other Income	89,991	24,069	89,991	24,069
Finance Income	2,657.02	16,586	2,657.02	16,586.00
	92,648	52,092.00	92,648	52,092

#### 5. Staff cost & Employees Benefit

	THE GROUP		THE COMPANY	
	DEC	DEC	DEC	DEC
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Salaries&Wages	324,306	238,642	196,016	165,558
Staff Welfare	5,186	27,821	5,186	27,821
Labour	50,993	64,457	50,993	64,457
	380,485	330,920	252,195	257,836

#### 6. Plant Property & Equipment

There are no restrictions on title to the items of property, plant and equipment. The Company has not pledged any item of property, plant and equipment as security for liabilities. The fair value of the company's buildings is in line with the carrying amount. However, revaluation of the buildings is done at management discretion.

The group							
	Right of Use	Land	Plant, tool and equipment	Motor Vehicles	Office furniture and equipment	IT Infrastructure	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost :</b>							
<b>At 1 January 2019</b>	26,912	733,500	1,779,951	423,761	6,373	47,337	3,017,834
Additions during the year	46,200		383,733	63,541	1,084	5,223	499,781
Disposals during the year				(6,359)			(6,359)
<b>At 31 December 2019</b>	<b>73,112</b>	<b>733,500</b>	<b>2,163,684</b>	<b>480,943</b>	<b>7,457</b>	<b>52,560</b>	<b>3,511,256</b>
Additions during the year	30,000		198,232		1,106	9,360	208,698
Disposals during the year		-		(3,198)		-	(3,198)
<b>At 31 December 2020</b>	<b>103,112</b>	<b>733,500</b>	<b>2,361,916</b>	<b>477,745</b>	<b>8,563</b>	<b>61,920</b>	<b>3,716,756</b>
<b>Depreciation</b>							
<b>At 1 January 2019</b>		58,680	1,075,573	321,131	2,102	31,705	1,489,191
Charge for the year	34,747	7,335	321,699	45,573	1,442	5,997	416,793
Disposals for the year				(6,358)			(6,358)
<b>At 31 December 2019</b>	<b>34,747</b>	<b>66,015</b>	<b>1,397,272</b>	<b>360,346</b>	<b>3,544</b>	<b>37,702</b>	<b>1,899,626</b>
Charge for the year	61,647	13,504	523,668	83,553	1,765	12,147	696,284
Disposals for the year				(3,198)			(3,198)
<b>At 31 December 2020</b>	<b>96,394</b>	<b>79,519</b>	<b>1,920,940</b>	<b>440,701</b>	<b>5,309</b>	<b>49,849</b>	<b>2,592,712</b>
<b>Carrying value:</b>							
<b>At 31 December 2020</b>	<b>6,718</b>	<b>653,981</b>	<b>440,976</b>	<b>37,044</b>	<b>3,254</b>	<b>12,071</b>	<b>1,124,044</b>
<b>At 31 December 2019</b>	<b>38,365</b>	<b>667,485</b>	<b>766,412</b>	<b>120,597</b>	<b>3,913</b>	<b>14,858</b>	<b>1,611,630</b>

The Company							
	Right of Use	Land	Plant, tool and equipment	Motor Vehicles	Office furniture and equipment	IT Infrastructure	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost :</b>							
<b>At 1 January 2019</b>	26,912	733,500	1,779,951	423,761	3,946	47,337	3,015,407
Additions during the year	46,200		266,521	63,180	200	5,223	381,324
Disposals during the year	-			(6,359)			(6,359)
<b>At 31 December 2019</b>	<b>73,112</b>	<b>733,500</b>	<b>2,046,472</b>	<b>480,582</b>	<b>4,146</b>	<b>52,560</b>	<b>3,390,372</b>
Additions during the year	30,000		96,612		895	9,360	136,867
Disposals during the year				(3,198)			(3,198)
<b>At 31 December 2020</b>	<b>103,112</b>	<b>733,500</b>	<b>2,143,084</b>	<b>477,384</b>	<b>5,041</b>	<b>61,920</b>	<b>3,524,041</b>
<b>Depreciation</b>							
<b>At 1 January 2019</b>		58,680	1,075,573	321,131	1,891	31,705	1,488,980
Charge for the year	34,747	7,335	313,513	45,573	630	5,874	407,672
Disposals for the year	-			(6,358)			(6,358)
<b>At 31 December 2019</b>	<b>34,747</b>	<b>66,015</b>	<b>1,389,086</b>	<b>360,346</b>	<b>2,521</b>	<b>37,579</b>	<b>1,890,294</b>
Charge for the year	61,647	13,504	485,939	83,553	1,046	12,063	657,752
Disposals for the year				(3,198)			(3,198)
<b>At 31 December 2020</b>	<b>96,394</b>	<b>79,519</b>	<b>1,875,025</b>	<b>440,701</b>	<b>3,567</b>	<b>49,642</b>	<b>2,544,848</b>
<b>Carrying value:</b>							
<b>At 31 December 2020</b>	<b>6,718</b>	<b>653,981</b>	<b>268,059</b>	<b>36,683</b>	<b>1,474</b>	<b>12,278</b>	<b>979,193</b>
<b>At 31 December 2019</b>	<b>38,365</b>	<b>667,485</b>	<b>657,386</b>	<b>120,236</b>	<b>1,625</b>	<b>14,981</b>	<b>1,500,078</b>

## 7. Intangible Assets

	The Group	The Company
<b>Cost :</b>	N'000	N'000
<b>At 1 January 2019</b>	11,489	11,489
Additions during the year	4,780	4,780
<b>At 31 December 2019</b>	16,269	16,269
Additions during the year	-	-
<b>At 31 December 2020</b>	16,269	16,269
<b>Amortisation</b>		
<b>At 1 January 2019</b>	11,239	11,239
Charge for the year	950	950
<b>At 31 December 2019</b>	12,189	12,189
Charge for the year	2,416	2,416
<b>At 31 December 2020</b>	14,605	14,605
<b>Carrying value:</b>		
<b>At 31 December 2020</b>	1,664	1,664
<b>At 31 December 2019</b>	4,080	4,080

## 8. Trade & Other Receivables

	THE GROUP		THE COMPANY	
	DEC 2020 N'000	DEC 2019 N'000	DEC 2020 N'000	DEC 2019 N'000
Trade Receivables	4,914,752	4,068,158	4,723,818	3,772,919
Other Receivables	766,424	858,175	1,495,241	952,000
	<b>5,681,176</b>	<b>4,926,333</b>	<b>6,219,059</b>	<b>4,724,919</b>

Withholding tax receivable (WHT) represent amount deducted at source by customers from payment to the Company in line the withholding tax law. The customer is expected to remit the amount withheld to the relevant tax authority and obtain withholding tax credit note in the name of Arbico Plc. The WHT credit note can be used to offset future tax liability.

## 9. Trade & other Payables

	THE GROUP		THE COMPANY	
	DEC 2020 N'000	DEC 2019 N'000	DEC 2020 N'000	DEC 2019 N'000
Trade Payables	1,355,189	1,024,416	1,355,189	862,624
Other Payables	3,817,868	2,248,903	3,817,868	2,342,998
	5,173,057	3,273,319	5,173,057	3,205,622

Other taxes payable include Pay-As-You-Earn (PAYE), value added tax payable and withholding tax payable. Accruals are with respect to job done by sub-contractors for which project certificate/invoices have not been received as agreed milestones have not been reached.

## 10. Disclosure on Director's Dealing.

There is no directors' dealing of any kind brought to the notice of the company, as the company has put in place and improving on it, the procedures for reporting such if it exists. This disclosure is in line with the requirement of provisions of Rule 17.15 of the issuers' rules 2015.

## 11. Shareholding Pattern as at December 31, 2020

	Unit	%
Strategic Shareholder	118,750,000	79.97
Director Direct Shareholding	107,360	0.07
Free Float	29,642,640	19.96
<b>PAID UP SHARE CAPITAL</b>	<b>148,500,000</b>	<b>100.00</b>

### 11.1 Compliance with Free Float

As at the reporting date, the company is not fully compliant with the free float requirement. This disclosure is in line with the requirement of provisions of Rule 2.1.1 of the free float rules on self-assessment and self-regulation.