



THE INITIATES PLC.

RC266755

...support sustainable production and consumption

**HALF YEAR FINANCIAL STATEMENT
AS AT 30TH JUNE 2015**

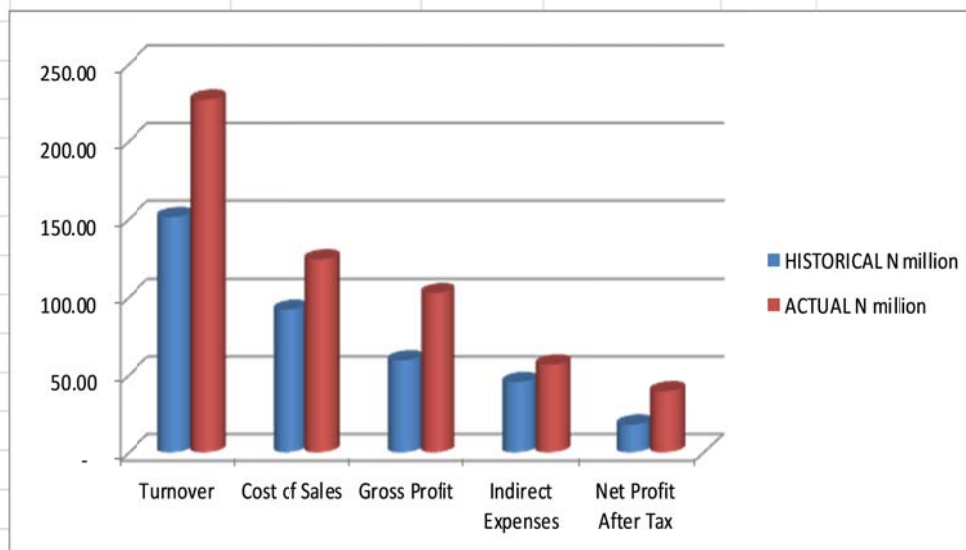
THE INITIATES PUBLIC LIMITED COMPANY

EXECUTIVE SUMMARY

The Company recorded a very impressive increase in this first half of 2015. As shown below, The Revenue for the period under review is N226.7 million which is a 50% increase over the first half of 2014. Cost of sales reduced to 35.2% when compared with the first half of 2014. This however represent a 54.8% of the Revenue for the period. Profit for the period is N39.4 million after deducting provision for Tax at 32% for both CIT and Education Tax which represent an increase of 123.9% when compared with the first half of 2014, and 17.4% of the turnover for the period under review. From all indications, we are far better than last year and will do greater as all proposed line of expansion fall into place from the second half of this year. The earnings per share is 6 kobo per shares while the Dividend per Share is computed based on 60 % of Net Profit After Tax. These will improve in the second half of the year.

THE HIGHLIGHT

S/N		Jun-14		Jun-15		VARIANCE
		HISTORICAL		ACTUAL		
		N million	%	N million	%	
1	Turnover	151.11	100	226.7	100	50.0
2	Cost of Sales	91.84	60.8	124.1	54.8	35.2
3	Gross Profit	59.27	39.2	102.5	45.2	73.0
4	Indirect Expenses	45.26	30.0	56.6	25.0	25.0
5	Net Profit After Tax	17.60	11.6	39.4	17.4	123.9
6	EPS	0.06		0.06		



THE INITIATES PUBLIC LIMITED COMPANY					
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
FOR THE PERIOD ENDED 30TH JUNE 2015					
	JUNE		JUNE		Variance
	2014		2015		
	HISTORICAL		ACTUAL		
Continuing Operations:	N	%	N	%	%
Revenue	151,113,341.45	100.0	226,675,270.95	100.0	50.0
Direct expenses	91,841,008.86	60.8	124,144,144.79	54.8	35.2
Gross profit	59,272,332.59	39.2	102,531,126.16	45.2	73.0
Other income	47,260.38		3,247,678.55		
Staff costs	(12,784,213.45)	-8.5	(20,924,182.19)	-9.1	63.7
Depreciation and impairment loss	(9,444,762.97)	-6.2	(13,869,251.57)	-6.0	46.8
Administrative expenses	(15,215,640.72)	-10.1	(19,416,938.84)	-8.4	27.6
Finance cost	(7,815,114.26)		(2,356,319.50)	-2.3	-69.8
Results from operating activities	21,874,975.83	14.5	49,212,112.61	19.4	125.0
Provision for Taxation @ 30%	(3,281,246.37)		(9,232,221.08)		
Provision for Education Tax @ 2% of Revenue	(1,511,133.41)		(615,481.41)		
Profit After Tax for the year	17,082,596.04	11.3	39,364,410.12		
Other Comprehensive income:					
Foreign currency translation difference					
Gain on fair value of property, plant and equipment	503,515.19		15,013,517.62		
Total comprehensive income for the year	17,586,111.23		54,377,927.74		
Earnings per share - (Naira)	0.06		0.06		

THE INITIATES PUBLIC LIMITED COMPANY				
STATEMENT OF FINANCIAL POSITION				
FOR THE PERIOD ENDED 30TH JUNE 2015				
		30 June	31 December	30 June
		2014	2014	2015
	Note	N	N	N
Assets				
Non-current assets				
Property, plant and equipment	8.1	392,778,843.48	396,615,765	485,548,980
Other non-current assets				
Deferred tax assets	9	32,131,887.00	6,778,298	6,778,298
Current assets				
Trade and other receivables	10	89,313,707.27	214,450,854	233,451,755
Cash and cash equivalents	11	28,920,389.24	7,803,710	24,498,052
Current tax assets	12	29,934,033.78	37,915,175	50,965,701
Other current tax assets	13	3,077,495.00	28,498,051	28,498,052
Staff Loans and Advances	14	2,000.00	-	1,189,987
		<u>151,245,625.29</u>	<u>288,667,790</u>	<u>338,603,546</u>
Total Assets		<u>576,156,355.77</u>	<u>692,061,853</u>	<u>830,930,824</u>
Equity and Liabilities				
Equity				
Share capital	15	294,471,108.00	341,490,777	444,990,776
Share premium	16	17,280,000	17,280,000	2,280,000
Revaluation reserve	17	45,909,136	45,909,136	92,219,323
Retained earnings	18	(12,983,426.29)	94,800,809	59,800,809
Other component of equity		-	-	15,013,518
Net Profit		(13,100,391.97)	-	39,364,410
Total equity		<u>331,576,425.74</u>	<u>499,480,722</u>	<u>653,668,836</u>
Non-current liabilities				
Long term borrowings		76,693,400.60	-	-
Current liabilities				
Trade and other payables	17	115,744,213.54	70,093,082	73,542,898
Current tax liabilities	18	17,850,740.00	18,188,987	16,371,039
Other current tax liabilities	19	30,891,575.89	49,950,510	46,310,550
Short term borrowings	21	3,400,000.00	50,510,630	41,037,500
		<u>167,886,529.43</u>	<u>188,743,209.00</u>	<u>177,261,987.58</u>
Total liabilities		<u>244,579,930.03</u>	<u>188,743,209.00</u>	<u>177,261,987.58</u>
Total equity and liabilities		<u>576,156,355.77</u>	<u>688,223,931.00</u>	<u>830,930,824</u>
These financial statements were approved by the Board of Directors on 17th of July, 2015 and signed on its behalf by:				
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Chairman	Director		Financial Manager	
FRC No:2014/NIS/00000008836	FRC No: 2/NIAECHI/00000009687014		FRC No:	

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015**

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	341,490,777	17,280,000	45,909,136	94,800,809	499,480,722
Dividend payable	30,000,000	(15,000,000)	-	(35,000,000)	(20,000,000)
Reclassification	73,499,999	-	-	-	73,499,999
Profit for half year in 2015	-	-	-	39,364,410	39,364,410
	444,990,776	2,280,000	45,909,136	99,165,219	592,345,131
Other comprehensive income:					
Revaluation Surplus			46,310,187		46,310,187
Foreign currency translation difference		-	-	15,013,518	15,013,518
At 30th June	444,990,776	2,280,000	92,219,323	114,178,737	653,668,836

**THE INITIATES PUBLIC LIMITED COMPANY
STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30TH JUNE 2015**

	JUNE-2014 N	JUNE-2015 N	CHANGE N	%
Cash flows from operating activities				
Cash received from customers	55,000,000.00	84,592,498.00	(29,592,498)	(54)
Cash paid to suppliers and employees	(99,125,855.00)	(52,813,376.96)	(46,312,478)	47
Net cash provided by operating activities	(44,125,855.00)	31,779,121.04	(75,904,976)	172
Cash flows from investing activities				
Payments for property, plant and equipment	(3,727,320.45)	(56,122,279.38)	(52,394,958.93)	1,406
Net cash used in investing activities	(3,727,320.45)	(56,122,279.38)	(52,394,958.93)	1,406
Cash flows from financing activities				
Short term loan receipt (IDF)	49,360,067.00	41,037,500.00	(8,322,567.00)	(17)
Net cash used in financing activities	49,360,067.00	41,037,500.00	(8,322,567.00)	(17)
Increase/(decrease) in cash and cash equivalents	1,506,891.55	16,694,341.66	15,187,450.11	1,008
Cash and cash equivalents at 1 January	6,296,818.45	7,803,710.00	1,506,891.55	24
Cash and cash equivalents at 30th June	7,803,710.00	24,498,051.66	16,694,341.66	214

DIRECTOR'S DECLARATION

In the opinion of the Directors of The Initiates Public Limited Company:

- a) The consolidated financial statements and notes of The initiates Plc. are in accordance with the IFRS,
- b) Gives a true and fair view of its financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- c) Complies with Accounting Standard IAS 34 Interim Financial Reporting; and
- d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

These financial statements were approved by the Board of Directors on 17th of July, 2015.

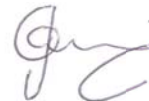
And signed on its behalf by:



Anosikeh O. Joe
Chairman



Ossai M. Reuben
Managing Director



Douglas O. Rosemary
Finance Manager