

# 2023

## THE INITIATES PLC UNAUDITED ACCOUNT FOR HALF YEAR ENDED 30<sup>TH</sup> JUNE 2023



TIP Commercial

*THE INITIATES PLC.*

7/2/2023



**DOCUMENT TITLE:** 2023 SECOND QUARTER MANAGEMENT ACCOUNT

**DOCUMENT NO.:** TIP-FIN-MNG -0026

**REV NO.:** 00

**Unit/Dept:** COMMERCIAL AND FINANCE

**Site/Location:**

TIP BASE

**Completed By:** TANEH ROSEMARY

**Position:** CHIEF FINANCIAL OFFICER

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## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors of **The Initiates Plc** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company and the results of its operations, cash flows and changes in equity for the second quarter ended 30<sup>th</sup> June 2023, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

The financial statements of the Company for the period ended 30<sup>th</sup> June 2022 were approved by directors on 11<sup>th</sup> of July, 2023.

### **SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:**

.....  
Mr. Joe Ogbonna Anosikeh  
Chairman  
FRC No:FRC/2014/NIS/00000008836

.....  
Mr. Reuben Mustapha Ossai  
Managing Director  
FRC No:FRC/2014/NIAECHI/00000009687



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**CERTIFICATE OF COMPLIANCE OF THE INITIATES PLC PURSUANT TO  
SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT, 2007 FOR THE  
SECOND QUARTER ENDED 30TH JUNE 2023**

We hereby certify that:

1. The signing officers have reviewed the financial report;
  2. Based on the knowledge of the officers, the Management account does not:
    - a. Contain any untrue statement of a material fact;
    - b. Omit to state a material fact which would make the statement misleading in the light of the circumstances under which the statement was made;
  3. The financial statement represents fairly the financial condition and result of the operations of the Company as of and for the period indicated;
  4. The signing officers:
    - a. Are responsible for establishing and maintaining internal control.
    - b. Have designed such internal control to ensure that material information relating to the Company is made known to such officers within the entity particularly during the period in which the periodic report was prepared.
    - c. Have evaluated the effectiveness of the Company's internal control as of date within 30 days prior to the time of this account.
- I. The signing officers have disclosed to the Audit Committee of the Company.
- II. All significant deficiencies in the design or operations of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and was identified for any material weakness in internal controls;

Anosikeh, Joe Ogbonna  
Chairman  
FRC No: FRC/2014/NIS/00000008836

Ossai, Reuben Mustapha  
Chief Executive Officer  
FRC//2014//NIAECHI//00000009687

Taneh Rosemary  
Chief Financial Officer  
FRC//2017//ICAN//00000016060



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## SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule): The Initiates Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

Olaide Odejebi

Company Secretary

FRC/2017/NBA/00000016739



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## THE INITIATES PLC

### SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS AS AT THE PERIOD ENDED 30TH JUNE 2023

COMPANY NAME: THE INITIATES PLC.  
BOARD LISTED: GROWTH BOARD  
YEAR END: 31ST DECEMBER  
REPORTING PERIOD: 2023 HALF YEAR (1ST APRIL - 30TH JUNE 2023)  
SHARE PRICE AS AT REPORTING DATE: N0.40 (2022: N0.40)

DESCRIPTION	2023		2022	
	UNITS	PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) %	UNITS	PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) %
Issued Share Capital @ 50 Kobo per share	900,000,000	100%	900,000,000	100%
<b>Details of Substantial Shareholdings (5% and above)</b>				
DVCF OIL & GAS PLC	322,828,822	35.87	322,828,822	35.87
OSSAI REUBEN M	190,695,237	21.19	190,695,237	21.19
AFOLAYAN SAMUEL	68,618,709	7.62	73,546,061	8.17
OBOH-OZHEREBE GORDON	58,568,412	6.51	58,568,412	6.51
<b>Total Substantial Shareholdings</b>	<b>640,711,180</b>	<b>71.19</b>	<b>645,638,532</b>	<b>71.74</b>
<b>Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests</b>				
ANOSIKEH JOE OGBONNA	20,295,796	2.26	20,295,796	2.26
ALIKOR ACHI EDWARD	1,126,761	0.13	1,126,761	0.13
EBINUM JOSEPH (INDIRECT - BELL NYKE LIMITED)	37,550,000	4.17	37,550,000	4.17
OBOH CHARLES AROAWODE	1,000,000	0.11	1,000,000	0.11
<b>Total Directors' Shareholdings</b>	<b>59,972,557</b>	<b>6.66</b>	<b>59,972,557</b>	<b>6.66</b>
<b>Details of Other Influential shareholdings, if any (E.g. Government, Promoters)</b>				
EMPLOYEES	5,432,282	0.60	5,432,282	0.60
<b>Total of Other Influential Shareholdings</b>	<b>5,432,282</b>	<b>0.60</b>	<b>5,432,282</b>	<b>0.60</b>
Free Float in Unit and Percentage	193,883,981	21.54	188,956,629	21.00
Free Float in Value	₦ 77,553,592.40		₦ 75,582,651.60	

(A) THE INITIATES Plc with a free float percentage of 21.54% as at 30th June 2023, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.

(B) THE INITIATES Plc with a free float Value of N77,553,592.40 as at 30th June 2023 is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.



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## **AUDIT COMMITTEE REPORT OF THE INITIATES PLC**

In compliance with Section 359(6) of the Companies and Allied Matters Act CAP.C20, LFN 2004, and Section 60(2) of the Investment and Securities Act 2007, we have reviewed the Management account for the second quarter ended 30th June 2023 and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the second quarter ended 30th June 2023; this was in our opinion adequate.
2. We also reviewed the Internal Auditors report for the period as well as the Management's response thereon.
3. We ascertained that the accounting and reporting policies of the Company for second quarter ended 30th June 2023 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the accounting entries, policies and bases of this Management account for the second quarter ended 30th June 2023 was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 11<sup>th</sup> July, 2023.

NWANMA UGOCHUKWU CHRISTIAN

Chairman

FRC/2017/ ICAN/00000016424

### **Members of the Committee:**

Mr. Christian Ugochukwu Nwanma - Chairman/Shareholder Representative

Sir Enoch Iwueze- Shareholder Representative

Prof.Edward Alikor - Non-Executive Director

Mr. Joseph Ebinum - Non-Executive Director



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## **EXECUTIVE SUMMARY:**

### **1.1 SECOND QUARTER (APRIL – JUNE 2023)**

#### **1. INTRODUCTION**

##### **Q2**

TIP reported a total revenue of NGN 373.25 M (2022: NGN282.37M) which represent 31.19% and increase over same period in 2022. A Gross Profit of N153.94 Million naira was reported for the quarter as against N90.69 Million (showing a remarkable performance with a Net Profit before tax of N81.43 Million naira (NGN 12.51M) as against the Profit of N43.29 million reported in Q2 2022.

##### **HALF YEAR 2022 REPORT (JAN – JUNE 2023)**

TIP posted a total revenue of NGN570.15M (2022: N498.77M) which represent over 14.31% and increase as at half year in 2022. A gross Profit of N233.13 Million naira was reported for the period showing a remarkable performance in comparison to half year in (2022 N208.78 Million). A Net Profit before tax of N86.87 Million naira which falls short of the profit of N109.18 million reported as at June 30th 2022 by 20.43%.

Notwithstanding the high inflation, exchange rate, and cost of sales especially diesel the Management of TIP deserves a very high commendation for this performance.

#### **BALANCE SHEET**

TIP Balance Sheet value shows a Total Asset of over NGN2.12 Billion as at 30th June, 2023





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**1. Trade Receivables:** This stood at NGN413.9M as 30 June, 2023 and NGN2.5m receivable is above 90 days.

**2. Trade Payable:** NGN342.635M is the Account Payable balance as at the close of business (COB) on the 30 June, 2023

**3. Measurement of Liquidity:**

TIP liquidity including Cash & Cash Equivalent at the close of the June 30<sup>th</sup> 2023 shows NGN47.8m and Loan (BOI Loan) which is now due for repayment is 85% of Total Equity; there is a clear indication that TIP has not fully come out of its attendant liquidity challenges since 2018. The Company is still highly geared with Gearing Ratio conservatively standing at 1:90 as at 30 June, 2023 principally due to existing loan facility.

The Management and Board are happy that this continuous increase in turnover will go a long way to remedy all current challenges with the assurance to all stakeholders and prospective investors that there is a large reward awaiting us All in the very near future.



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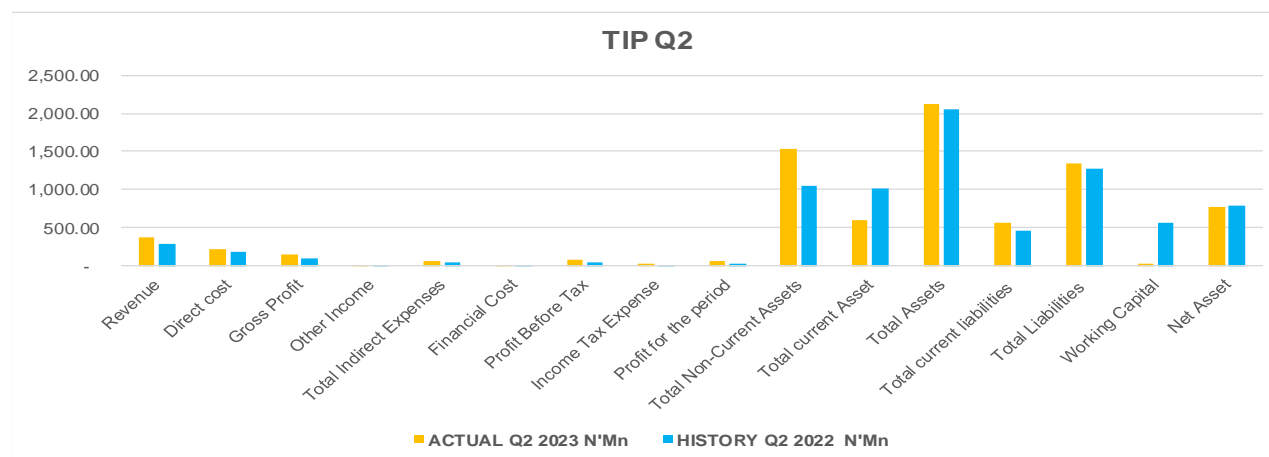
THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE PERIOD HALF YEAR ENDED 30TH JUNE 2023

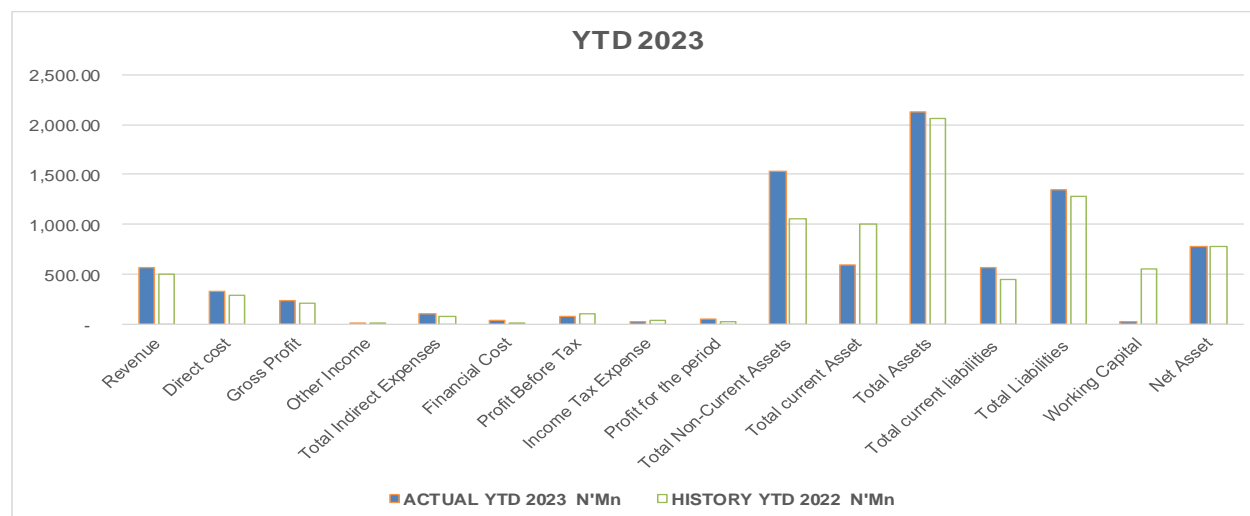
STATEMENT OF COMPREHENSIVE INCOME						
FOR THE PERIOD ENDED 30TH JUNE						
	THREE MONTHS ENDED 30TH JUNE			HALF YEAR ENDED 30TH JUNE		
	ACTUAL	HISTROY	CHANGE	ACTUAL	HISTROY	CHANGE
	N'Mn	N'Mn	%	N'Mn	N'Mn	%
Revenue	373.25	282.37	32.19	570.15	498.77	14.31
Direct cost	219.31	191.67	14.42	337.02	290.41	16.05
Gross Profit	153.94	90.69	69.73	233.13	208.36	11.89
Other Income	0.15	3.42	-	0.27	3.42	-
Total Indirect Cost	54.20	40.09	35.21	106.94	81.50	31.21
Financial Cost	18.46	10.74	71.93	39.59	21.09	87.71
Profit Before Tax	81.43	43.29	88.11	86.87	109.18	(20.43)
Provision of Income Tax Expense	26.06	13.85	88.11	27.80	34.94	(20.43)
Profit for the period	55.37	29.44	88.11	59.07	74.24	(20.43)
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>AS AT 30TH JUNE</b>						
	ACTUAL	HISTROY	CHANGE			
ASSETS	N'Mn	N'Mn	%			
<b>Non-Current Assets</b>						
Property, plant and Equipment	1,504.58	1,021.67	47.27			
Other non - current asset	31.22	29.05	100.00			
<b>Total Non-Current Assets</b>	<b>1,535.80</b>	<b>1,050.72</b>	<b>46.17</b>			
<b>Current Assets</b>						
Inventories	7.60	11.41	(33.42)			
Trade receivables	413.94	439.58	(5.83)			
Cash and cash equivalents	47.86	392.99	(87.82)			
Current tax assets	84.61	85.50	(1.03)			
Other current tax assets	38.93	80.21	(51.46)			
Total current Asset	592.95	1,009.69	(41.27)			
<b>Total Assets</b>	<b>2,128.75</b>	<b>2,060.40</b>	<b>3.32</b>			
<b>Non-Current Liabilities</b>						
Deferred tax	82.52	123.08	(32.96)			
Long Term Borrowing	700.00	700.00	-			
Total Non-Current Liability	782.52	823.08	(4.93)			
<b>Current Liabilities</b>						
Trade and Other payables	342.64	294.07	16.52			
Other current tax liabilities	35.35	35.77	(1.18)			
Other current tax liabilities	182.92	115.32	58.62			
Employees' benefits	8.19	3.41	139.93			
Short term borrowings	-	5.00	(100.00)			
<b>Total current liabilities</b>	<b>569.10</b>	<b>453.57</b>	<b>25.47</b>			
<b>Total Liabilities</b>	<b>1,351.62</b>	<b>1,276.66</b>	<b>5.87</b>			
<b>Working Capital</b>	<b>23.85</b>	<b>556.11</b>	<b>(95.71)</b>			
<b>Net Asset</b>	<b>777.13</b>	<b>783.75</b>	<b>(0.84)</b>			



KEY RATIOS					
	THREE MONTHS ENDED 30TH JUNE		HALF YEAR ENDED 30TH JUNE		
	Q2 2023	Q2 2022	YTD 2023	YTD 2022	
Earnings Per Share	0.06	0.03	0.07	0.08 kobo	
Gross Profit Margin	41.24	32.12	40.89	41.77 %	
Net Profit Margin	14.84	10.42	10.36	14.88 %	
Net Asset Per Shares	0.87	0.88	0.87	0.88 kobo	
Return on Capital Employed	3.55	1.83	3.79	4.62 %	
Current Ratios	1.04	2.23	1.04	2.23 x	
Net Working Capital:	0.06	1.97	0.04	1.11 x	
Fixed Asset Turnover:	0.33	0.28	0.51	0.49 x	
Receivables Turnover	1.80	1.28	2.75	2.59 x	
Payables Turnover	(1.60)	(1.58)	(2.59)	(2.53) x	
Return On Equity	0.18	0.14	0.08	0.09 %	
Return On Assets	0.18	0.14	0.27	0.24 %	
Price Earning per Share	8.04	15.12	7.53	5.99 kobo	
Gearing Ratio	0.90	0.89	0.90	0.89 %	



Graphical representation of TIP'S SECOND QUARTER 2023 performance



Graphical representation of TIP'S 2023 HALF YEAR performance



## THE INITIATES PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH JUNE 2023

	Note	ACTUAL		HISTORY		ACTUAL		HISTORY		2022	2021
		Q2 2023	REVENUE	Q2 2022	CHANGE	YTD 2023	REVENUE	YTD 2022	CHANGE		
		N	%	N	%	N	%	N	%	N	N
<b>Continuing Operations</b>											
Revenue from contracts with customers	6	373,252,262	100%	282,369,429	32.19	570,151,930	100%	498,773,939	14.31	841,469,215	333,899,008
Cost of sales	7	219,312,610	59%	191,674,560	14.42	337,023,572	59%	290,414,449	16.05	641,990,433	258,944,025
<b>Gross profit</b>		<b>153,939,652</b>	<b>41%</b>	<b>90,694,869</b>	<b>(100.00)</b>	<b>233,128,358</b>	<b>41%</b>	<b>208,359,490</b>	<b>11.89</b>	<b>199,478,782</b>	<b>74,954,983</b>
Other income	6a	147,753	0%	3,415,250	-	273,815	0%	3,415,250	-	3,741,659	23,144,205
Staff costs	8	17,390,496	5%	15,169,316	14.64	33,294,448	6%	30,416,738	9.46	92,223,763	64,912,954
Depreciation and impairment loss	9	2,057,906	1%	2,230,116	(7.72)	4,094,976	1%	4,316,454	(5.13)	7,656,673	8,622,343
Administrative expenses	10	34,750,256	9%	22,686,835	53.17	69,547,078	12%	43,354,608	60.41	161,891,115	62,966,559
Total Indirect Cost		<b>54,198,658</b>	<b>15%</b>	<b>40,086,267</b>	<b>35.21</b>	<b>106,936,502</b>	<b>19%</b>	<b>81,503,050</b>	<b>31.21</b>	<b>240,599,790</b>	<b>136,501,856</b>
<b>Results from operating activities</b>		<b>99,888,747</b>	<b>27%</b>	<b>54,023,852</b>	<b>84.90</b>	<b>126,465,671</b>	<b>22%</b>	<b>130,271,690</b>	<b>(2.92)</b>	<b>(37,379,349)</b>	<b>(38,402,668)</b>
Finance cost	13	18,458,771	5%	10,735,961	71.93	39,593,017	7%	21,092,126	87.71	19,698,085	29,276,823
Profit before tax		<b>81,429,976</b>	<b>22%</b>	<b>43,287,891</b>	<b>88.11</b>	<b>86,872,654</b>	<b>15%</b>	<b>109,179,564</b>	<b>(20.43)</b>	<b>(57,077,434)</b>	<b>(67,679,491)</b>
Provision for Income tax expense	14.1	26,057,592	7%	13,852,125	88.11	27,799,249	5%	34,937,460	(20.43)	(10,331,054)	(15,004,809)
<b>Profit for the year</b>		<b>55,372,384</b>	<b>15%</b>	<b>29,435,766</b>	<b>88.11</b>	<b>59,073,404</b>	<b>10%</b>	<b>74,242,104</b>	<b>(20.43)</b>	<b>(67,408,488)</b>	<b>(82,684,300)</b>
<b>Other Comprehensive income</b>											
Foreign currency translation difference	6b	3,503,017		(72,618,000)	(104.82)	5,193,747		(57,062,860)	(109.10)	13,705,820	4,185,362
Revaluation surplus on property, plant and equipment	23.3	-		-	-	-		-	-	-	-
<b>Other comprehensive income for the year</b>		<b>3,503,017</b>		<b>(72,618,000)</b>	<b>(104.82)</b>	<b>5,193,747</b>		<b>(57,062,860)</b>	<b>(109.10)</b>	<b>13,705,820</b>	<b>4,185,362</b>
<b>Total comprehensive income for the year</b>		<b>58,875,401</b>		<b>(43,182,234)</b>	<b>(236.34)</b>	<b>64,267,152</b>		<b>17,179,244</b>	<b>274.10</b>	<b>(53,702,668)</b>	<b>(78,498,938)</b>
Basic earnings per share (kobo)	35	<b>0.06</b>		<b>0.03</b>	<b>88.11</b>	<b>0.07</b>		<b>0.08</b>	<b>(20.43)</b>	<b>(0.06)</b>	<b>(0.09)</b>

The notes on pages 16 to 30 form part of these financial statements.

**THE INITIATES PLC****STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2023**

	Note	ACTUAL YTD 2023	HISTORICAL YTD 2022	CHANGE %	2022 N	2021 N
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	15	1,125,084,296	1,014,074,465	10.95	1,140,204,567	833,863,484
Assets in Transit	16	274,357,389	-	100.00	265,057,884	-
Other non-current assets	17	31,218,067	29,048,667	100.00	31,218,067	29,048,667
Investment	20	105,140,247	7,595,769	1,284.19	105,140,247	6,307,001
		<b>1,535,800,000</b>	<b>1,050,718,901</b>	<b>35</b>	<b>1,541,620,765</b>	<b>869,219,152</b>
<b>Current assets</b>						
Inventories	18	7,597,563	11,410,902	(33.42)	14,931,947	6,421,555
Trade and other receivables	19	413,942,138	439,584,182	(5.83)	293,883,501	159,103,023
Cash and cash equivalents	21	47,863,127	392,986,490	(87.82)	159,028,727	658,175,730
Current tax assets	22	84,613,069	85,495,855	(1.03)	62,910,235	78,079,975
Other current assets	23	38,932,253	80,208,430	(51.46)	17,643,299	23,450,252
<b>Total current assets</b>		<b>592,948,150</b>	<b>1,009,685,859</b>	<b>(41.27)</b>	<b>548,397,709</b>	<b>925,230,535</b>
<b>Total Assets</b>		<b>2,128,748,149</b>	<b>2,060,404,759</b>	<b>3.32</b>	<b>2,090,018,474</b>	<b>1,794,449,687</b>
<b>Equity and Liabilities</b>						
<b>Equity</b>						
Share capital	24	444,990,776	444,990,776	-	444,990,776	444,990,776
Share premium	25	17,780,000	17,780,000	-	17,780,000	17,780,000
Revaluation reserve	26	303,473,535	303,473,535	-	303,473,534	303,473,535
Retained earnings	27	10,887,784	17,502,544	(37.79)	(53,379,368)	323,300
<b>Total equity</b>		<b>777,132,095</b>	<b>783,746,855</b>	<b>(0.84)</b>	<b>712,864,942</b>	<b>766,567,611</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	14.4	82,519,191	123,084,353	(32.96)	82,519,191	123,084,353
Long Term Borrowing	31	700,000,000	700,000,000	100.00	700,000,000	700,000,000
<b>Current liabilities</b>						
Trade and other payables	28	342,635,084	294,066,451	16.52	458,671,004	122,172,083
Current tax liabilities	14	35,349,319	35,771,888	(1.18)	7,550,070	834,428
Other current tax liabilities	29	182,922,816	115,321,896	58.62	126,139,797	80,864,267
Employees' benefits	30	8,189,644	3,413,316	139.93	2,937,537	926,945
Short term borrowing	31.2	-	5,000,000	(100.00)	-	-
<b>Total current liabilities</b>		<b>569,096,864</b>	<b>453,573,552</b>	<b>25.47</b>	<b>595,298,408</b>	<b>204,797,723</b>
<b>Total liabilities</b>		<b>1,351,616,055</b>	<b>1,276,657,905</b>	<b>5.87</b>	<b>1,377,817,599</b>	<b>1,027,882,076</b>
<b>Total equity and liabilities</b>		<b>2,128,748,149</b>	<b>2,060,404,759</b>	<b>3.32</b>	<b>2,090,682,541</b>	<b>1,794,449,687</b>

These financial statements were approved by the Board of Directors on 13TH JULY, 2023 and signed on its behalf by:

.....  
Mr. Joe Ogbonna Anosikeh  
Chairman  
FRC No:FRC/2014/NIS/00000008836

.....  
Mr. Reuben Mustapha Ossai  
Managing Director  
FRC No:FRC/2014/NIAECHI/00000009687

.....  
Mr. Reuben Mustapha Ossai  
Managing Director  
FRC No:FRC/2014/NIAECHI/00000009687

The notes on pages 16 to 30 form part of these financial statements.



**DOCUMENT TITLE:** 2023 SECOND QUARTER MANAGEMENT ACCOUNT


**DOCUMENT NO.:** TIP-FIN-MNG -0026

**REV NO.:** 00

**THE INITIATES PLC**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2023

	Note	ACTUAL YTD 2023	HISTORICAL YTD 2022	CHANGE %	2022 N	2021 N
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	15	1,125,084,296	1,014,074,465	10.95	1,140,204,567	833,863,484
Assets in Transit	16	274,357,389	-	100.00	265,057,884	-
Other non-current assets	17	31,218,067	29,048,667	100.00	31,218,067	29,048,667
Investment	20	105,140,247	7,595,769	1,284.19	105,140,247	6,307,001
		<b>1,535,800,000</b>	<b>1,050,718,901</b>	<b>35</b>	<b>1,541,620,765</b>	<b>869,219,152</b>
<b>Current assets</b>						
Inventories	18	7,597,563	11,410,902	(33.42)	14,931,947	6,421,555
Trade and other receivables	19	413,942,138	439,584,182	(5.83)	293,883,501	159,103,023
Cash and cash equivalents	21	47,863,127	392,986,490	(87.82)	159,028,727	658,175,730
Current tax assets	22	84,613,069	85,495,855	(1.03)	62,910,235	78,079,975
Other current assets	23	38,932,253	80,208,430	(51.46)	17,643,299	23,450,252
		<b>592,948,150</b>	<b>1,009,685,859</b>	<b>(41.27)</b>	<b>548,397,709</b>	<b>925,230,535</b>
<b>Total current assets</b>		<b>2,128,748,149</b>	<b>2,060,404,759</b>	<b>3.32</b>	<b>2,090,018,474</b>	<b>1,794,449,687</b>
<b>Equity and Liabilities</b>						
<b>Equity</b>						
Share capital	24	444,990,776	444,990,776	-	444,990,776	444,990,776
Share premium	25	17,780,000	17,780,000	-	17,780,000	17,780,000
Revaluation reserve	26	303,473,535	303,473,535	-	303,473,534	303,473,535
Retained earnings	27	10,887,784	17,502,544	(37.79)	(53,379,368)	323,300
		<b>777,132,095</b>	<b>783,746,855</b>	<b>(0.84)</b>	<b>712,864,942</b>	<b>766,567,611</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	14.4	82,519,191	123,084,353	(32.96)	82,519,191	123,084,353
Long Term Borrowing	31	700,000,000	700,000,000	100.00	700,000,000	700,000,000
<b>Current liabilities</b>						
Trade and other payables	28	342,635,084	294,066,451	16.52	458,671,004	122,172,083
Current tax liabilities	14	35,349,319	35,771,888	(1.18)	7,550,070	834,428
Other current tax liabilities	29	182,922,816	115,321,896	58.62	126,139,797	80,864,267
Employees' benefits	30	8,189,644	3,413,316	139.93	2,937,537	926,945
Short term borrowing	31.2	-	5,000,000	(100.00)	-	-
		<b>569,096,864</b>	<b>453,573,552</b>	<b>25.47</b>	<b>595,298,408</b>	<b>204,797,723</b>
<b>Total current liabilities</b>		<b>1,351,616,055</b>	<b>1,276,657,905</b>	<b>5.87</b>	<b>1,377,817,599</b>	<b>1,027,882,076</b>
<b>Total liabilities</b>		<b>2,128,748,149</b>	<b>2,060,404,759</b>	<b>3.32</b>	<b>2,090,682,541</b>	<b>1,794,449,687</b>

These financial statements were approved by the Board of Directors on 13TH JULY, 2023 and signed on its behalf by:

  
Mr. Joe Ogonna Anosikeh  
Chairman  
FRC No:FRC/2014/NIS/00000008836

  
Mr. Reuben Mustapha Ossai  
Managing Director  
FRC No:FRC/2014/NIAECHI/00000009687

  
Mr. Reuben Mustapha Ossai  
Managing Director  
FRC No:FRC/2014/NIAECHI/00000009687

The notes on pages 15 to 34 form part of these financial statements.



# THE INITIATES PLC

## STATEMENT OF CHANGES IN EQUITY

### FOR THE PERIOD ENDED 30TH JUNE 2023

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	(53,379,368)	712,864,943
Profit for the year	-	-	-	64,267,152	64,267,152
	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>10,887,784</b>	<b>777,132,095</b>
At 30th June	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>10,887,784</b>	<b>777,132,095</b>

### FOR THE PERIOD ENDED 30TH 2022

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	323,300	766,567,611
Profit for the year	-	-	-	17,179,244	17,179,244
	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>17,502,544</b>	<b>783,746,855</b>
At 30th June	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>17,502,544</b>	<b>783,746,855</b>





## THE INITIATES PLC

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL	HISTORY		ACTUAL	HISTORY			
Note	Q2 2023	Q2 2022	CHANGE	YTD 2023	YTD 2022	CHANGE	2022	2021
	N	N	%	N	N	%	N	N
<b>Cashflow from Operating Activities</b>								
Cashflows from Operations	145,337,646	<b>187,607,727</b>	(22.53)	307,308,032	260,598,015	17.92	585,946,491	289,836,168
Cash Paid to Suppliers	(241,999,420)	(129,759,231)	86.50	(330,873,257)	(258,424,580)	28.03	(239,728,740)	(208,377,208)
Cash Paid to Employees	(17,390,496)	(15,169,316)	14.64	(33,294,448)	(30,416,738)	9.46	(92,223,763)	(64,912,954)
Paid to Government (taxes)	-	-	-	-	(21,092,126)	(100.00)	-	(999,500)
<b>Total</b>	<b>(114,052,270)</b>	<b>42,679,180</b>	<b>(367.23)</b>	<b>(56,859,673)</b>	<b>(49,335,429)</b>	<b>15.25</b>	<b>253,993,988</b>	<b>15,546,506</b>
<b>Cashflow from Investment Activities</b>								
Acquisition of property, plant and equipment	(13,489,958)	(316,118,056)	(95.73)	(15,260,540)	(202,678,955)	(92.47)	(633,677,455)	(22,986,719)
Investment in subsidiary	-	-	-	-	-	-	(98,833,246)	-
Interest received	147,753	-	-	273,815	3,415,250	(91.98)	640	-
<b>Total</b>	<b>(13,342,205)</b>	<b>(316,118,056)</b>	<b>(95.78)</b>	<b>(14,986,725)</b>	<b>(199,263,705)</b>	<b>(92.48)</b>	<b>(732,510,061)</b>	<b>(22,986,719)</b>
<b>Cashflow from Financing Activities</b>								
Borrowings	42,365,950	29,500,000	-	42,365,950	29,500,000	-	5,000,000	729,500,000
Repayment of borrowings	(42,365,950)	(24,500,000)	-	(42,365,950)	(24,500,000)	-	(5,000,000)	(46,500,000)
Unclaimed dividends returned	-	-	-	-	-	-	-	3,010,623
Interest on unclaimed dividends	147,753	3,415,250	-	273,815	3,415,250	-	366,415	241,055
Unclaimed dividends paid to Shareholders	-	-	-	-	-	-	(1,299,260)	-
Finance cost	(18,458,771)	(10,735,961)	71.93	(39,593,017)	(21,092,126)	87.71	(19,698,085)	(29,276,823)
<b>Total</b>	<b>(18,311,018)</b>	<b>(2,320,711)</b>	<b>689.03</b>	<b>(39,319,202)</b>	<b>(12,676,876)</b>	<b>210.16</b>	<b>(20,630,930)</b>	<b>656,974,855</b>
<b>Net Cash Flow</b>	<b>(145,705,493)</b>	<b>(275,759,587)</b>	<b>(47.16)</b>	<b>(111,165,600)</b>	<b>(261,276,010)</b>	<b>(57.45)</b>	<b>(499,147,003)</b>	<b>649,534,642</b>
Opening Balance	193,568,620	675,537,186	(71.35)	159,028,727	658,175,730	(75.84)	658,175,730	8,641,088
<b>Closing Balance</b>	<b>47,863,127</b>	<b>399,777,599</b>	<b>(88.03)</b>	<b>47,863,127</b>	<b>396,899,720</b>	<b>(87.94)</b>	<b>159,028,727</b>	<b>658,175,730</b>

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## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	CHANGE %	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
<b>6. Revenue from contracts with customers</b>								
Waste Management Service	242,002,297	176,353,551	37.23	291,316,787	266,625,518	9.26		
Industrial Cleaning Service	131,249,965	106,015,879	23.80	278,835,143	232,148,421	20.11		
	<b>373,252,262</b>	<b>282,369,429</b>	<b>32.19</b>	<b>570,151,930</b>	<b>498,773,939</b>	<b>14.31</b>	<b>841,469,215</b>	<b>333,899,008</b>
The revenue from contracts with customers is made up of:								
TDU	203,560,838	131,350,687	54.98	218,233,723	180,333,299	21.02	362,635,385	136,458,363
Incineration	15,334,480	32,025,126	(52.12)	46,073,675	51,953,931	(11.32)	83,259,628	62,302,946
E- Waste	23,106,979	12,977,738	78.05	27,009,389	34,338,288	(21.34)	114,952,127	76,419,104
Asbestos	-	-	-	-	-	-	280,622,075	58,718,595
ICS Vessel	8,389,797	12,526,210	(33.02)	33,062,207	45,725,283	(27.69)		
ICS FPSO	122,860,167	93,489,669	31.42	245,772,936	186,423,138	31.84		
ICS - HE	-	-	-	-	-	-		
	<b>373,252,262</b>	<b>282,369,429</b>	<b>32.19</b>	<b>570,151,930.39</b>	<b>498,773,939.10</b>	<b>14.31</b>	<b>841,469,215</b>	<b>333,899,008</b>
<b>6a. Other income</b>								
Sale of secondary product	-	-	-	-	-	-		21,211,250
Interest received	147,753	-	-	273,815	-	-	640	-
Debt recovery	-	3,415,250	-	-	3,415,250	-	3,415,250	1,710,000
Sundry income	-	-	-	-	-	-	325,769	222,955
	<b>147,753</b>	<b>3,415,250</b>	<b>-</b>	<b>273,815</b>	<b>3,415,250</b>	<b>-</b>	<b>3,741,659</b>	<b>23,144,205</b>
<b>6b Foreign exchange gains</b> of foreign currency transactions during the year under review.								
Foreign exchange gains	3,503,017	(72,618,000)	(104.82)	5,193,747.11	(57,062,860)	(109.10)	13,705,820	4,185,362



**DOCUMENT TITLE: 2023 SECOND QUARTER MANAGEMENT ACCOUNT**

**DOCUMENT NO.: TIP-FIN-MNG -0026**

**REV NO.: 00**

<b>7. Cost of sales</b>								
Collection & Haulage	89,881,635	54,744,786	64.18	115,018,510	77,004,861	49.37	175,785,194	50,295,663
Waste Disposal	32,740,000	7,392,195	342.90	35,092,000	9,061,595	287.26	21,909,378	6,388,341
Rental & Handling of Tls & Eqpt	36,530,322	41,196,911	(11.33)	44,416,568	58,276,873	(23.78)	137,402,303	37,371,255
Equipment Repairs Maintenance	4,939,980	2,691,305	83.55	15,540,818	9,144,261	69.95	22,490,507	3,258,187
Employee Cost	7,864,519	6,822,881	15.27	16,049,196	11,401,366	40.77	35,603,096	9,717,493
Transport and Travelling	4,725,476	3,859,437	22.44	8,332,510	5,744,437	45.05	26,349,347	15,392,369
Consumables	23,076,592	22,313,145	3.42	62,261,516	33,809,010	84.16	8,010,542	1,332,958
Depreciation	9,296,619	9,192,233	1.14	18,581,647	18,171,519	2.26	81,051,060	31,251,821
Direct wages	5,428,800	22,993,800	(76.39)	8,653,800	31,946,800	(72.91)	36,261,211	35,638,604
Security and Community Expenses	1,350,000	17,140,000	(92.12)	3,976,458	19,988,000	(80.11)	48,923,200	20,969,577
Compliance Monitoring	494,500	-	100.00	763,250	7,009,984	(89.11)	21,737,295	43,436,919
QHSE/PPE	744,550	963,400	(22.72)	2,563,800	5,369,450	(52.25)	21,446,439	1,500,000
Permit	1,987,216	2,364,467	(15.95)	4,521,098	2764467	63.54	-	890,838
Business Development	252,400	-	100.00	1,252,400	721,826	73.50	5,020,861	1,500,000
	<b>219,312,610</b>	<b>191,674,560</b>	<b>14.42</b>	<b>337,023,572</b>	<b>290,414,449</b>	<b>16.05</b>	<b>641,990,433</b>	<b>258,944,025</b>
<b>8. Staff costs</b>								
Staff Salaries and Wages (Corporate)	12,696,405	12,474,142	1.78	25,281,394	22,682,783	11.46	73,476,897	54,084,988
Staff Pensions (Employer)	1,240,448	1,063,032	16.69	2,530,195	2,095,782	20.73	6,063,092	3,879,910
Staff Welfare	150,000	50,000	100.00	200,000	250,000	(20.00)	1,935,600	487,250
Terminal Benefit	1,053,913	-	100.00	1,053,913	2,815,520	(62.57)	3,323,966	2,670,146
Medical Expense	2,249,731	1,582,142	42.20	4,228,946	2,572,653	64.38	7,424,208	3,790,660
	<b>17,390,496</b>	<b>15,169,316</b>	<b>14.64</b>	<b>33,294,448</b>	<b>30,416,738</b>	<b>9.46</b>	<b>92,223,763</b>	<b>64,912,954</b>
<b>8b.</b>								
<b>Total employee costs recognised in profit or loss</b>								
Cost of sales	<b>7,864,519</b>	<b>6,822,881</b>	<b>15.27</b>	<b>16,049,196</b>	<b>11,401,366</b>	<b>40.77</b>	<b>26,349,347</b>	<b>15,392,369</b>
Administrative expenses	<b>17,390,496</b>	<b>15,169,316</b>	<b>14.64</b>	<b>33,294,448</b>	<b>30,416,738</b>	<b>9.46</b>	<b>92,223,763</b>	<b>64,912,954</b>
	<b>25,255,015</b>	<b>21,992,197</b>	<b>14.84</b>	<b>49,343,644</b>	<b>41,818,104</b>	<b>18.00</b>	<b>118,573,110</b>	<b>80,305,323</b>
<b>9. Depreciation and impairment loss</b>								
<b>Depreciation</b>	<b>2,057,906</b>	<b>2,230,116</b>	<b>(7.72)</b>	<b>4,094,976</b>	<b>4,316,454</b>	<b>(5.13)</b>	<b>7,656,673</b>	<b>8,622,343</b>
<b>10. Administrative expenses</b>								
Directors' emolument	6,510,000	3,320,100	96.08	13,020,000	6,120,000	112.75	18,500,000	11,297,520
Directors' allowances and expenses	3,885,386	800,000	385.67	4,715,386	2,290,000	105.91	6,584,483	3,916,513
Directors' fees	687,500	562,500	22.22	1,375,000	1,125,000	22.22	2,750,000	2,250,000
Transport and travelling expenses	1,529,878	875,896	74.66	2,021,378	2,106,896	(4.06)	5,302,875	3,110,924
Legal and professional fees	934,338	729,236	28.13	3,086,995	2,541,581	21.46	42,713,834	4,409,577
Electricity	936,650	569,172	64.56	1,506,030	1,282,152	17.46	2,856,275	2,400,889
Fuel and diesel	6,064,070	5,772,720	5.05	13,993,220	7,552,840	85.27	10,819,401	4,964,936
Licenses and levies	107,000	175,000	(38.86)	762,500	1,014,214	(24.82)	1,919,848	1,708,857
Donation & Gift	250,000	250,000	-	250,000	250,000	-	1,080,000	560,000
Repairs and maintenance	815,900	1,468,580	(44.44)	1,623,000	2,678,010	(39.40)	6,378,713	3,050,033
Printing and stationery	340,006	734,791	(53.73)	737,437	1,273,090	(42.08)	2,090,131	787,266
Insurance	1,935,690	677,060	185.90	2,935,824	1,208,611	142.91	4,509,346	4,442,527
Telephone and postage	267,100	200,400	33.28	536,460	409,083	31.14	1,044,258	732,224
Entertainment	101,400	89,700	13.04	347,000	159,700	117.28	437,310	369,600
Internet expenses	67,828	330,000	(79.45)	126,238	1,210,314	(89.57)	2,216,314	2,476,150
Industrial Training Fund	1,935,694	1,033,466	100.00	2,158,454	1,033,466	100.00	1,035,626	1,011,937
Bank Charges	1,036,694	808,217	28.27	1,534,918	1,645,478	(6.72)	-	-
Training expenses	-	-	-	195,000	-	100.00	171,500	1,548,700
Local content tax	3,025,572	205,246	1,374.12	9,932,991	1,398,794	610.11	5,621,771	2,277,341
Subscription	365,232	-	100.00	711,393	683,450	4.09	1,255,868	1,263,950
Meal expenses	1,212,500	999,510	21.31	2,324,820	1,828,710	27.13	3,824,540	3,176,790
Corporate social responsibility	-	-	-	-	-	100.00	5,000,000	-
Balances written off	-	-	-	-	-	100.00	17,344,935	393,488
Auditors' remuneration	1,000,000	800,000	25.00	2,000,000	1,600,000	25.00	2,500,000	2,000,000
Security expenses	904,213	510,760	77.03	2,010,708	1,117,605	79.91	2,780,373	2,427,376
Provision for doubtful debts	-	-	-	-	-	100.00	-	243,752
Unrealized foreign exchange loss	-	-	-	-	-	100.00	8,640,195	-
Office and general expenses	837,605	1,774,481	(52.80)	1,642,327	2,825,614	(41.88)	5,177,586	2,146,209
	<b>34,750,256</b>	<b>22,686,835</b>	<b>53.17</b>	<b>69,547,078</b>	<b>43,354,608</b>	<b>60.41</b>	<b>162,555,182</b>	<b>62,966,559</b>



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

#### 13. Finance cost

This represents interests charged by Guaranty Trust Bank Plc and Wema Bank Plc on invoice discounting and loan facilities obtained respectively by The Initiates Plc.

	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	CHANGE	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	CHANGE	2022 N	2021 N
Other financial charges	3,881,055	-	100.00	3,881,055	-	100.00	16,625,415	8,977,108
Interest on loans	14,577,716	10,735,961	35.78	35,711,962	21,092,126	69.31	3,072,670	20,299,715
	<b>18,458,771</b>	<b>10,735,961</b>	<b>71.93</b>	<b>39,593,017</b>	<b>21,092,126</b>	<b>87.71</b>	<b>19,698,085</b>	<b>29,276,823</b>
<b>14. Taxation</b>								
<b>14a Income tax expense</b>								
Company income tax	26,061,796	32,753,869	(20.43)	26,061,796	32,753,869	(20.43)	4,207,346	834,748
Education tax	1,737,453	2,183,591	(20.43)	1,737,453	2,183,591	(20)	690,285	-
	27,799,249	34,937,460	(20.43)	27,799,249	34,937,460	(20.43)	4,897,631	834,748
	-	-						-
Prior year under-provision	-	-					45,998,585	-
<b>Current tax expense</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>50,896,216</b>	<b>834,748</b>
<b>Deferred tax</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>(40,565,162)</b>	<b>14,170,061</b>
<b>Income tax expense as per profit or loss</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>10,331,054</b>	<b>15,004,809</b>
<b>14b Current tax liabilities</b>								
<b>Movement in Income tax liabilities</b>								
At 1 January	35,349,319	834,428	-	7,550,070	834,428	804.82	834,428	61,106,615
Prior year under-provision	-	-	-	-	-	-	45,998,585	-
Payments during the year	-	-	-	-	-	-	-	(999,500)
Tax charge for the year	27,799,249	34,937,460	(20)	27,799,249	34,937,460	(20.43)	4,897,631	834,748
Withholding tax credit notes applied	-	(834,428)	-	-	-	-	(44,180,574)	(60,107,435)
<b>At 30th June</b>	<b>63,148,568</b>	<b>34,937,460</b>	<b>80.75</b>	<b>35,349,319</b>	<b>35,771,888</b>	<b>(1.18)</b>	<b>7,550,070</b>	<b>834,428</b>
<b>14.3 Reconciliation of effective tax rate</b>								
Profit for the year before tax	86,872,654	109,179,564	(20.43)	86,872,654	109,179,564	(20.43)	(43,371,614)	(62,236,489)
Income tax using the company's domestic tax rate of 30%	26,061,796	32,753,869	(20.43)	26,061,796	32,753,869	(20.43)	4,207,346	834,748
Education tax using tax rate of 2%	1,737,453	2,183,591	(20.43)	1,737,453	2,183,591	(20.43)	-	-
Tax effect on expenses not deductible for tax purposes	-	-	-	-	-	-	690,285	-
Tax effect on capital allowances	-	-	-	-	-	-	-	-
Tax effect on tax incentives	-	-	-	-	-	-	-	-
Prior year under-provision	-	-	-	-	-	-	-	-
<b>Tax charge in income statement (Income tax and Education tax)</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>27,799,249</b>	<b>34,937,460</b>	<b>(20.43)</b>	<b>4,897,631</b>	<b>834,748</b>



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

#### 14.4 Deferred tax liabilities

	<b>ACTUAL</b>	<b>HISTORICAL</b>	<b>CHANGE</b>			<b>Total</b>
	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>%</b>	<b>Accelerated tax</b>	<b>Depreciation</b>	
	<b>N</b>	<b>N</b>		<b>N</b>		
At 1 January 2022	82,519,191	108,914,292	(24.23)	86,787,992	22,126,300	108,914,292
Movement in the year	-	14,170,061	(100)	14,170,061	-	14,170,061
At 31 December 2022	82,519,191	123,084,353	(32.96)	100,958,053	22,126,300	123,084,353
Movement in the year	-	-	-	-	-	(40,565,162)
<b>At 30th June 2023</b>	<b>82,519,191</b>	<b>123,084,353</b>	<b>(32.96)</b>	<b>100,958,053</b>	<b>22,126,300</b>	<b>82,519,191</b>

#### 15. Property, Plant and Equipment

##### 15.1 Summary

The carrying amount of property, plant and equipment is stated as follows;

	<b>ACTUAL</b>	<b>HISTORICAL</b>	<b>CHANGE</b>	<b>2022</b>	<b>2021</b>
	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>%</b>	<b>N</b>	<b>N</b>
	<b>N</b>	<b>N</b>			
Land	69,218,719	43,600,000	58.76	65,500,000	43,600,000
Buildings	158,687,095	163,105,960	(2.71)	160,436,456	163,693,178
Capital Work-in-Progress	309,396,912	-	100.00	309,396,912	-
Motor Vehicle	4,752,334	6,231,313	(23.73)	5,643,396	-
Plant and Machinery	578,285,431	793,592,009	(27.13)	594,820,385	619,595,034
Furniture and Fittings	44,099	163,424	(73.02)	116,414	344,240
Office & HSE Equipment	4,699,707	7,381,760	(36.33)	4,291,004	6,631,032
	<b>1,125,084,296</b>	<b>1,014,074,465</b>	<b>10.95</b>	<b>1,140,204,567</b>	<b>833,863,484</b>

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2023****15.2A FOR THE PERIOD ENDED 30TH JUNE 2023**

	Land	Buildings	Capital Work- in-Progress	Motor Vehicle	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
	N	N	N	N	N	N	N	N
<b>Deemed Cost</b>								
At 1 January 2023	65,500,000	174,936,120	309,396,912	7,128,500	738,717,830	5,800,299	15,511,501	1,316,991,161
Addition in the year	3,718,719		-	-	1,278,346	-	963,971	5,961,035
At 30th June 2022	<b>69,218,719</b>	<b>174,936,120</b>	<b>309,396,912</b>	<b>7,128,500</b>	<b>739,996,176</b>	<b>5,800,299</b>	<b>16,475,471</b>	<b>1,322,952,196</b>
<b>Accumulated Depreciation and impairment loss</b>								
At 1 January 2023	-	(15,374,345)	-	(1,930,635)	(152,414,126)	(5,725,786)	(11,068,483)	(186,513,375)
Charge for the year	-	(874,681)	-	(445,531)	(9,296,619)	(30,414)	(707,280)	(11,354,525)
At 30th June 2023	-	<b>(16,249,025)</b>	-	<b>(2,376,167)</b>	<b>(161,710,745)</b>	<b>(5,756,200)</b>	<b>(11,775,764)</b>	<b>(197,867,900)</b>
<b>Carrying amount</b>								
At 30th June 2023	<b>69,218,719</b>	<b>158,687,095</b>	<b>309,396,912</b>	<b>4,752,334</b>	<b>578,285,431</b>	<b>44,099</b>	<b>4,699,707</b>	<b>1,125,084,296</b>
At 30th June 2022	<b>43,600,000</b>	<b>163,105,960</b>	-	<b>6,231,313</b>	<b>793,592,009</b>	<b>163,424</b>	<b>7,381,760</b>	<b>1,014,074,465</b>

**15.2B FOR THE PERIOD ENDED 30TH JUNE 2022**

	Land	Buildings	Motor Vehicle	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
	N	N	N	N	N	N	N
<b>Deemed Cost</b>							
At 1 January 2022	43,600,000	174,696,120	-	727,884,077	6,513,400	15,629,642	968,323,239
Addition in the year	-	1,164,763	7,121,500	192,148,492	-	2,244,200	202,678,955
At 30th June 2022	<b>43,600,000</b>	<b>175,860,883</b>	<b>7,121,500</b>	<b>920,032,570</b>	<b>6,513,400</b>	<b>17,873,842</b>	<b>1,171,002,194</b>
<b>Accumulated Depreciation and impairment loss</b>							
At 1 January 2022	-	(11,002,942)	-	(108,289,042)	(6,163,160)	(8,998,611)	(134,453,755)
Charge for the year	-	(1,751,981)	(890,188)	(18,151,519)	(186,816)	(1,493,471)	(22,473,974)
At 30th June 2022	-	<b>(12,754,923)</b>	<b>(890,188)</b>	<b>(126,440,561)</b>	<b>(6,349,976)</b>	<b>(10,492,082)</b>	<b>(156,927,729)</b>
<b>Carrying amount</b>							
At 30th June 2022	<b>43,600,000</b>	<b>163,105,960</b>	<b>6,231,313</b>	<b>793,592,009</b>	<b>163,424</b>	<b>7,381,760</b>	<b>1,014,074,465</b>
At 30th June 2022	<b>43,600,000</b>	<b>166,351,164</b>		<b>634,276,391</b>	<b>2,152,980</b>	<b>9,926,681</b>	<b>856,307,216</b>

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2023****15.3 Deemed cost**

On 5 November 2018, the company's property, plant and equipment were revalued by Messrs. Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/00000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial

**15.4 Capital work-in-progress**

These represent costs of property, plant and equipment acquired year which have not been put to u

	ACTUAL YTD 2023 N	HISTORICAL YTD 2022 N	CHANGE %	2022 N	2021 N
Thermal Desorption Unit (TDU) with components	148,968,234	-	100	148,968,234	-
High Pressure Pump	144,698,678	-	100	144,698,678	-
500KVA Soundproof Perkins Generator	15,730,000	-	100	15,730,000	-
	<b>309,396,912</b>	<b>-</b>	<b>100</b>	<b>309,396,912</b>	<b>-</b>

**15.5 Depreciation**

Cost of sales	18,581,647	18,171,519	2.26	36,261,211	35,638,604
Administrative expenses	4,094,976	4,316,454	(5.13)	7,656,673	8,622,343
	<b>22,676,624</b>	<b>22,487,973</b>	<b>0.84</b>	<b>43,917,884</b>	<b>44,260,947</b>

**15.6 Security**

All the Company's property, plant and equipment were pledged as security as at 30th June 2023.

**16. Asset-in-transit**

	<b>274,357,389</b>	<b>-</b>	<b>100</b>	<b>265,057,884</b>	<b>-</b>
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This represents Robotic Tank Cleaning Equipment which was not received by The Initiates Plc as at 30th June 2023.

**17. Other non-current assets**

Prepaid fees on Loan (note 17.1)	19,608,067	-	100.00	19,608,067	29,048,667
Deferred costs (note 17.2)	11,610,000	-	100.00	11,610,000	-
	<b>31,218,067</b>	<b>-</b>	<b>100.00</b>	<b>31,218,067</b>	<b>29,048,667</b>

**17.1 Prepaid fees on loan**

These represent non-current portion of the fees charged by Providus Bank Plc on Bank Guarantee for loan facility of N700.0 million obtained from Bank of Industry in 2021 by The Initiates Plc. This also include legal fees paid to Bank of Industry and also fees charged by Consultants. The loan facility has a tenor of 5 years.

**17.2 Deferred costs**

These represent non-current portion of costs on environmental evaluation study as required by the Ministry of Environment.

**18. Inventories**

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
Toiletries	125,010	1,402,968	(91.09)	53,257.00	48,052
Technical material	5,948,299	2,802,645	112.24	6,896,079	1,874,905
QHSE inventory	950,517	657,436	44.58	2,272,867	3,096,045
Stationeries	325,837	6,523,803	(95.01)	286,994	630,650
Diesel	247,900	24,051	930.73	5,422,750	771,903
	<b>7,597,563</b>	<b>11,410,902</b>	<b>(33.42)</b>	<b>14,931,947</b>	<b>6,421,555</b>

The value of inventories recognised as an expense during the period was N27.089 million (2022: N10.08 million).

No inventory was pledged as security during the year.

The Company uses First In First Out method in valuing its inventory.





## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
<b>19. Trade and other receivables</b>					
Trade receivables (note 18.1)	412,317,939	434,064,420	(5.01)	292,029,748	158,451,600
Staff loans and advances (18.2)	1,615,199	5,510,762	(70.69)	-	642,396
Other Receivable	9,000	9,000	-	9,000	9,027
	<b>413,942,138</b>	<b>439,584,182</b>	<b>(5.83)</b>	<b>292,038,748</b>	<b>159,103,023</b>
<b>19.1 Trade receivables</b>					
Receivables from customers	412,317,939	434,064,420	(5.01)	305,994,593	175,831,695
Allowance for expected credit losses (note 18.1.1)	-	-	-	(13,964,845)	(17,380,095)
	<b>412,317,939</b>	<b>434,064,420</b>	<b>(5.01)</b>	<b>292,029,748</b>	<b>158,451,600</b>
<b>Ageing of trade receivables</b>					
Current	280,280,806	-	100.00	98,130,598	6,910,873
1 - 30 days past due	103,684,043	179,115,826	(42.11)	-	-
31 - 60 days past due	5,695,826	106,717,700	(94.66)	-	109,059,576
61 - 90 days past due	20,140,963	38,091,000	(47.12)	-	-
Over 90 days past due	2,516,301	110,139,894	(97.72)	207,863,995	59,861,246
	<b>412,317,939</b>	<b>434,064,420</b>	<b>(5.01)</b>	<b>305,994,593</b>	<b>175,831,695</b>
<b>19.1.1 Movement in allowance for credit losses</b>					
At 1 January	13,964,845	17,380,095	(19.65)	17,380,095	18,846,343
Debt recovery	-	(3,415,250)	-	(3,415,250)	(1,710,000)
Allowance for the year	-	-	-	-	243,752.00
<b>At 30th June</b>	<b>13,964,845</b>	<b>13,964,845</b>	<b>-</b>	<b>13,964,845</b>	<b>17,380,095</b>
<b>19.2 Key management personnel and staff loans</b>					
Loan to key management personnel	-	-	-	-	-
Staff loans and advances	1,615,199	5,510,762	(70.69)	1,844,753	642,396
Allowance for expected credit losses	-	-	-	-	-
	<b>1,615,199</b>	<b>5,510,762</b>	<b>(70.69)</b>	<b>1,844,753</b>	<b>642,396</b>
<b>19.2b. Relationship with key management Personnel</b>					
Key management personnel include the Directors and the management staff of the Company					
<b>19.2c. Transactions</b>					
During the period, funds were not provided by the key Management Personnel of the Company.					
<b>20 Investments as at 30th June</b>	<b>105,140,247</b>	<b>7,595,769</b>	1,284.19	<b>105,140,247</b>	<b>7,595,769</b>
In February 2018, the Company entered into a joint venture agreement with a local company in Uganda with a view to tendering for waste management contracts in Total Uganda. This was followed up by the incorporation of a company (The Initiates Uganda Limited) in November 2018.					
The authorized share capital of The Initiates Uganda Limited is UGX 100,000,000 (One Hundred Million Uganda shillings) i.e. 100 ordinary shares of UGX 1,000,000 (One Million Uganda shillings) each. The shareholders of the company are The Initiates Plc and Dag & Bragan Oil & Gas Services Limited with ownership structure of 40:60 respectively.					
The balance is made up of the following:					
Pre-Incorporation expenses	6,307,001	6,307,001	-	6,307,001	6,307,001
Cost of TDU Plant	85,562,903	-	100.00	85,562,903	-
Funds provided as working capital	8,674,388	-	100.00	8,674,388	-
Other expenses	4,595,955	1,288,768	256.62	4,595,955	1,288,768
	<b>105,140,247</b>	<b>7,595,769</b>	1,284.19	<b>105,140,247</b>	<b>7,595,769</b>



**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2023**

	ACTUAL YTD 2023	HISTORY YTD 2022	CHANGE	2022	2021
	N	N	%	N	N
<b>21. Cash and cash equivalents</b>					
Cash and cash equivalents represent cash in hand and at bank as at end of period.					
Cash in hand	158,730	252,922	(37.24)	59,900	161,649
Cash at bank	42,116,720	386,213,045	(89.09)	153,381,150	651,493,558
	42,275,449	386,465,967	(89.06)	153,441,050	651,655,207
Short Term Investment (note 19.1)	5,587,678	6,520,523	(14.31)	5,587,677	6,520,523
	<b>47,863,127</b>	<b>392,986,490</b>	<b>(87.82)</b>	<b>159,028,727</b>	<b>658,175,730</b>

**21.1 Short Term Investment**

In 2021, N6.01 million was invested in Apel Investment Trust which had tenors of 173 days and 91 days with the interest rates of 5.25% and 6% per annum respectively. This investment was rolled over in the current year for 182 days (from 22 August - 19 February 2023) and from 20 February 2023 - 21 August 2023) with the interest rates of 8.25% and 10.5% per annum respectively. .

**22. Current tax assets**

These represent withholding tax receivable as at year end.

	ACTUAL YTD 2023	HISTORY YTD 2022	CHANGE	2022	2021
	N	N	%	N	N
At 1 January	62,910,235	78,079,975	(19.43)	78,079,975	125,401,944
Withholding tax in the year	21,702,834	7,415,880	192.65	29,010,834	12,785,467
Withholding tax utilised during the year	-	-		(44,180,574)	(60,107,436)
At 30th June	<b>84,613,069</b>	<b>85,495,855</b>	<b>(1.03)</b>	<b>62,910,235</b>	<b>78,079,975</b>
<b>23. Other current assets</b>					
Prepaid security and community expenses	-	15,644,615	(100.00)	-	10,000,000
Prepaid insurance	1,606,605	7,197,162	(77.68)	4,332,699	4,009,652
Prepaid fees on loan - Current	9,440,600	19,440,600	(51.44)	9,440,600	9,440,600
Prepaid fees on loan - Non - Current	19,608,067	31,048,667	(36.85)	3,870,000	-
Prepaid Medicals	8,276,981	6,877,386	20.35	-	-
<b>Prepaid expenses</b>	<b>38,932,253</b>	<b>80,208,430</b>	<b>(51.46)</b>	<b>17,643,299</b>	<b>23,450,252</b>



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021
<b>24. Share capital</b>					
Authorised: (note 23.1)					
900,000,000 ordinary shares of N0.50 each	450,000,000	450,000,000	-	450,000,000	450,000,000
Issued and fully paid: (note 23.2)					
889,981,552 ordinary shares of N0.50 each	444,990,776	444,990,776	-	444,990,776	444,990,776

#### 24.1 Authorized share capital

At the 12th - 16th Annual General Meeting held on 23rd March 2015, the authorized share capital of the company which was formerly 350,000,000 ordinary shares of N1.00 each was converted to 900,000,000 ordinary shares of N0.50 each.

#### 24.2 Paid up share capital

At the 12th - 16th Annual General Meeting held on 23rd March 2015, the paid up share capital of the company was increased by the capitalization of dividends for 2013 and 2014 and also issue of bonus shares to shareholders.

#### 25. Share premium

At 1 January	17,780,000	17,780,000	-	17,780,000	17,780,000
<b>At 30th June</b>	<b>17,780,000</b>	<b>17,780,000</b>	-	<b>17,780,000</b>	<b>17,780,000</b>

#### 26. Revaluation Reserve

On 5 November 2018, the company's property, plant and equipment were revalued by Messrs. Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/0000000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation reserve account.

At 1 January	303,473,535	303,473,535	-	303,473,534	303,473,535
<b>At 30th June</b>	<b>303,473,535</b>	<b>303,473,535</b>	-	<b>303,473,534</b>	<b>303,473,535</b>



**THE INITIATES PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2023**

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
<b>27. Retained earnings</b>					
At 1 January	(53,379,368)	323,300	(16,610.79)	323,300	77,564,598
Profit for the year	64,267,152	17,179,244	274	(53,702,668)	(77,241,298)
	10,887,784	17,502,544	(37.79)	(53,379,368)	323,300
At 30th June	<b>10,887,784</b>	<b>17,502,544</b>	<b>(37.79)</b>	<b>(53,379,368)</b>	<b>323,300</b>
<b>28. Trade and other payables</b>					
Trade payables	218,892,959	181,854,551	20.37	401,816,766	36,002,797
Dividend payable (note 28.2)	6,191,409	7,124,254	(13.09)	6,191,409	7,124,254
Advances from customer (note 28.1)	35,488,893	68,320,246	(48.06)	35,488,893	63,320,246
Other payables	155,621	-	100.00	155,621	116,800
Accruals (note 28.3)	81,906,202	36,767,400	122.77	15,018,315	15,607,986
	<b>342,635,084</b>	<b>294,066,451</b>	<b>16.52</b>	<b>458,671,004</b>	<b>122,172,083</b>
<b>28.1 Advances from customer</b>					
These represent payments made by Belbop Nigeria Limited in the current year for jobs yet to be executed.					
<b>28.2 Dividend payable</b>					
At 1 January	6,191,409	7,124,254	(13.09)	3,603,731	3,603,731
Unclaimed dividends	-	-	-	3,010,623	3,010,623
Prior Year Dividends approved during the year	-	-	-	876,315	509,900
Payments made during the year	-	-	#DIV/0!	(1,299,260)	-
At 30th June	<b>6,191,409</b>	<b>7,124,254</b>	<b>(13.09)</b>	<b>6,191,409</b>	<b>7,124,254</b>
<b>28.3 Accruals</b>					
Accrued Auditors Fees	2,000,000	1,600,000	25.00	2,500,000	2,000,000
Accrued Directors' Fees	1,375,000	1,200,000	14.58	2,750,000	1,200,000
Accrued Interest on Loan	31,988,259	1,225,000	2,511.29	3,911,547	-
Accrued Performance Bonus	-	3,486,647	(100.00)	1,500,000	3,567,123
Accrued Staff Salary	2,799,338	1,009,937	177.18	-	1,009,937
Professional Fees	1,500,000	12,003,000	100.00	25,800	-
Accrued Director Emolument	1,674,973	16,242,816	(89.69)	-	5,809
Accrued Security & Com Expense	2,519,657	-	100.00	4,158,308	7,534,136
Accrued Interest on Unclaimed Dividend	876,315	-	100.00	172,660.15	210,981
Accrued AGM Board Expenses	2,172,660	-	100.00	-	80,000
Accrued Provision for Waste Disposal	35,000,000	-	100.00	-	-
	<b>81,906,202</b>	<b>36,767,400</b>	<b>122.77</b>	<b>15,018,315</b>	<b>15,607,986</b>
<b>29. Other current tax liabilities</b>					
Pay As You Earn	3,124,444	1,525,077	104.87	1,475,348	634
Withholding tax payable	49,527,168	28,411,334	74.32	39,970,017	23,834,593
Local Content Tax Liability	1,266,796	1,240,086	2.15	1,266,796	1,240,086
Value Added Tax - Suppliers	83,535,299	48,796,947	71.19	40,962,012	23,255,909
Value Added Tax - Customers	45,469,109	35,348,452	28.63	42,465,624	32,533,045
At 30th June	<b>182,922,816</b>	<b>115,321,896</b>	<b>58.62</b>	<b>126,139,797</b>	<b>80,864,267</b>



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
<b>30. Employees' benefits</b>					
Defined contribution plans (note 27.1)	8,189,644	3,413,316	139.93	2,937,537	926,945
<b>30.1 Defined contribution plans</b>					
These represent pension contribution. It is computed as follows: 8% of the employee's basic salary, housing and transport is contributed monthly by the employee and 10% of the employee's basic salary, housing and transport is contributed by the employer. The monthly contribution is remitted to the Pension Fund Administrators in accordance with the Nigerian Pension Reform Act 2014.					
At 1 January	2,937,537	926,945	216.91	926,945	2,618,292
Provision for the year	8,189,644	3,413,316	139.93	10,971,707	8,482,014
Payments made during the period	(2,937,537)	(926,945)	216.91	(8,961,115)	(10,173,361)
<b>At 30th June</b>	<b>8,189,644</b>	<b>3,413,316</b>	<b>139.93</b>	<b>2,937,537</b>	<b>926,945.00</b>
<b>31 Borrowings</b>	<b>700,000,000</b>	<b>700,000,000</b>	<b>-</b>	<b>700,000,000</b>	<b>-</b>
<b>31.1. Loan facility from Bank of Industry</b>					
At 1 January	700,000,000	700,000,000	100.00	700,000,000	-
Loan obtained in the year	-	-	-	-	700,000,000
Repayments in the year	-	-	-	-	-
	<b>700,000,000</b>	<b>700,000,000</b>	<b>-</b>	<b>700,000,000</b>	<b>700,000,000</b>
<b>31.2. Short Term Borrowings</b>					
These represent loan facility of \$92 Thousand USD obtained in 2023 from Providus Bank Plc with a tenor of 6 months and interest rate of 12% per annum.					
Invoice Discounting Facility in the period	42,365,950	24,500,000	72.92		24,500,000
Loan in the year	-	5,000,000	(100.00)	5,000,000	5,000,000
Repayments in the year	(42,365,950)	(24,500,000)	72.92	(5,000,000)	(29,500,000)
<b>At 30th June</b>	<b>-</b>	<b>5,000,000</b>	<b>(100.00)</b>	<b>-</b>	<b>-</b>
<b>31.3 Borrowings</b>					
These represent loan facility of N700.0 million obtained by The Initiates Plc from Bank of Industry in 2021 for procurement of plant and machinery for the treatment and disposal of oil drilling waste as well as industrial cleaning and decontamination services. The loan has a tenor of 5 years with one (1) year moratorium and interest rate of 8% per annum commencing from the date of first disbursement. The loan was secured with a Bank Guarantee from Providus Bank Plc. The security for the guarantee is as follows:					
- Mortgage Debenture on the Company's assets situated at Plot 400 Location Road, Umuebule 5, Aba/PH Expressway, Port Harcourt, Rivers State, to be valued by a Bank accredited valuer.					
- Legal Mortgage on a property in acceptable location in Lagos or Abuja.					
- Irrevocable domiciliation of contract proceeds to Providus Bank.					
accrued interest on the facility for the 1st year. This must be replenished on a regular basis from the Company's operational cash flow.					
- Personal Guarantee of the Managing Director and another director supported by notarized Statements of Networth.					



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	2022	2021
<b>32. Information regarding directors and employees</b>						
<b>32.1. Directors</b>						
Directors' emoluments comprises:						
Fees	-	1,125,000	-	-	-	-
Others - salaries and allowances	6,510,000	6,120,000	13,020,000	6,120,000	18,500,000	11,297,520
	<b>6,510,000</b>	<b>7,245,000</b>	<b>13,020,000</b>	<b>6,120,000</b>	<b>18,500,000</b>	<b>11,297,520</b>
Highest paid Director (Managing Director) - emolument	<b>6,510,000</b>	<b>7,245,000</b>	<b>13,020,000</b>	<b>6,120,000</b>	<b>18,500,000</b>	<b>11,297,520</b>
Other directors with emoluments	Number Nil	Number Nil	Number Nil	Number Nil	Number Nil	Number Nil
The number of directors with gross emoluments within the band stated were:						
	Number	Number	Number	Number	Number	Number
Below N3,000,000	-	-	-	-	-	-
N3,000,001 - N7,000,000	-	-	-	-	-	-
N7,000,001 and above	1	1	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>32.2 Employees</b>				Number		
Average numbers of persons employed during the period:						
Management	10	11	10	11	10	9
Senior Staff	11	12	11	12	11	11
Junior Staff	28	26	28	26	28	26
	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>46</b>
<b>Aggregate payroll costs</b>	N	N	N	N	N	N
Salaries and allowances	17,390,496	15,169,316	33,294,448	30,416,738	92,223,763	64,912,954
The number of employees in Nigeria with gross emoluments within the bands stated were:				Number	Number	
N100,000	-	3	-	3	-	3
N500,001	10	22	10	22	20	19
N1,000,001	19	12	19	12	12	12
N1,500,001	20	12	20	12	17	12
	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>46</b>



## THE INITIATES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

#### 33. Guarantees and other financial commitments

The company did not guarantee any loan to the directors and officers of the company during the year.

#### 34. Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial statements have been taken into account in the preparation of the financial statements under review.

#### 35. Contingent liabilities

There were no contingent liabilities arising from litigations in the ordinary course of business.

#### 36. Capital commitments

There were no capital commitments at 30th June 2023

#### 37. Events after the reporting date

##### COVID-19

The Directors are of the view that the going concern or the continuing existence of the Company is not in doubt, as a result of the impact of COVID-19 on their future operations.

#### 38. Earnings per Share

Earnings per share are based on profit after tax and number of fully paid ordinary shares.

	ACTUAL Q2 2023 N	HISTORY Q2 2022 N	ACTUAL YTD 2023	HISTORY YTD 2022 %	2022 N	2021 N
Profit attributable to ordinary shareholders (in naira)	58,875,401	(43,182,234)	64,267,152	17,179,244	(53,702,668)	(78,498,938)
Number of ordinary shares issued and fully paid for basic earnings per share (in	889,981,552	889,981,552	889,981,554	889,981,555	889,981,552	889,981,552
Basic earnings per 50 kobo share	6.62	(4.85)	7.22	1.93	(0.06)	(0.09)



# THE INITIATES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

### 39. Professional firms

The following firms provided professional services to the Company and their FRC registration numbers are stated as follows:

#### **Audit Firm**

The audit firm is Madu, Onyekwena & Co. The firm is responsible for the audit of the Company's records and provision of tax consultancy services. The FRC number is FRC/2013/ICAN/00000004886.

#### **Estate Surveyors and Valuers**

Jide Taiwo & Co. is the firm that values the Company's assets. The FRC registration number is FRC/2012/00000000254.

#### **Company Secretary**

Mrs. Olaide Odejebi is the Company's Secretary. She is responsible for filing accounts with Corporate Affairs Commission, Securities and Exchange Commission together with other secretarial functions. The FRC registration number is

#### **Registrars**

Apel Capital Registrars Limited is the Company's Registrars. They are responsible for keeping the records of shareholders and paying dividends. The FRC registration number is FRC/2017/ICAN/00000014821.



# THE INITIATES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

### 39. Professional firms

The following firms provided professional services to the Company and their FRC registration numbers are stated as follows:

#### **Audit Firm**

The audit firm is Madu, Onyekwena & Co. The firm is responsible for the audit of the Company's records and provision of tax consultancy services. The FRC number is FRC/2013/ICAN/00000004886.

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**DOCUMENT TITLE:** 2023 SECOND QUARTER MANAGEMENT ACCOUNT

**DOCUMENT NO.:** TIP-FIN-MNG -0026

**REV NO.:** 00

**THE INITIATES PLC**

## **OTHER NATIONAL DISCLOSURES**



## THE INITIATES PLC

### STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED 30TH JUNE 2023

	ACTUAL		HISTORY		ACTUAL		HISTORY		2022		2021	
	Q2 2023		Q2 2022		YTD 2023		YTD 2022		N		N	
	N		N		N		N		N		N	
Revenue from contracts with customers	373,252,262		282,369,429		570,151,930		498,773,939		841,469,215		333,899,008	
Other income	147,753		3,415,250		273,815		3,415,250		17,447,479		27,329,567	
	<b>373,400,014</b>		<b>285,784,679</b>		<b>570,425,745</b>		<b>502,189,189</b>		<b>858,916,694</b>		<b>361,228,575</b>	
Less: Bought in materials and services												
Imported												
Local	263,225,017		215,905,124		427,582,020		340,104,914		812,145,246		314,291,163	
Value added	<b>110,174,997</b>	<b>100%</b>	<b>69,879,556</b>	<b>100%</b>	<b>142,843,725</b>	<b>100%</b>	<b>162,084,275</b>	<b>100%</b>	<b>46,771,448</b>	<b>100%</b>	<b>46,937,412</b>	<b>100%</b>
<b>Applied as follows:</b>												
To pay employees' salaries wages and other benefits	17,390,496	16	15,169,316	22	33,294,448	23	30,416,738	19	92,223,763	197	64,912,954	138
To pay Government taxation	26,057,592	24	13,852,125	20	27,799,249	19	34,937,460	22	4,897,631	10	834,748	2
To provide for enhancement of assets and expansion:												
- deferred tax	-	-	-	-	-	-	-	-	(40,565,162)	(87)	14,170,061	30
- depreciation of fixed assets	11,354,525	10	11,422,349	16	22,676,624	16	22,487,973	14	43,917,884	94	44,260,947	95
- retained in the business	55,372,384	50	29,435,766	42	59,073,404	41	74,242,104	46	(53,702,668)	(115)	(77,241,298)	(165)
	<b>110,174,997</b>	<b>100</b>	<b>69,879,556</b>	<b>100</b>	<b>142,843,725</b>	<b>100</b>	<b>162,084,275</b>	<b>100</b>	<b>46,771,448</b>	<b>100</b>	<b>46,937,412</b>	<b>100</b>

**Note:** "Value added" represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

**THE INITIATES PLC****FIVE YEARS FINANCIAL SUMMARY**

	← 31 December →				
	2022 N	2021 N	2020 N	2019 N	2018 N
<b>Statement of Financial Position</b>					
<b>Assets employed</b>					
Non-current Assets	1,140,204,567	833,863,484	855,137,712	864,209,717	655,833,451
Asset-in-transit	265,057,884	-	-	-	-
Other non-current assets	31,218,067	29,048,667	10,000,000	-	-
Investments	105,140,247	-	-	-	-
Current Assets	548,397,709	931,537,536	279,201,154	285,090,412	473,650,809
<b>Total Assets</b>	<b>2,090,018,474</b>	<b>1,794,449,687</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>	<b>1,129,484,260</b>
<b>Equity</b>					
Issued capital	444,990,776	444,990,776	444,990,776	444,990,776	444,990,776
Share premium	17,780,000	17,780,000	17,780,000	17,780,000	17,780,000
Revaluation reserve	303,473,535	303,473,535	303,473,535	303,473,535	82,210,528
Retained earnings	(53,379,368)	323,300	77,564,598	161,389,109	163,619,341
	712,864,943	766,567,611	843,808,909	927,633,420	708,600,645
<b>Liabilities</b>					
Non-current liabilities	782,519,191	823,084,353	108,914,292	92,186,159	54,377,713
Current liabilities	594,634,340	204,797,723	191,615,665	129,480,550	366,505,902
<b>Total liabilities and equity</b>	<b>2,090,018,474</b>	<b>1,794,449,687</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>	<b>1,129,484,260</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue	841,469,215	333,899,008	448,013,531	550,218,779	700,798,753
(Loss)/profit before taxation	(43,371,614)	(62,236,489)	(5,683,148)	95,820,558	134,864,469
Income tax expense	(10,331,054)	(15,004,809)	(78,141,363)	(53,551,712)	(43,884,152)
(Loss)/profit after taxation	(53,702,668)	(77,241,298)	(83,824,511)	42,268,846	90,980,317
<b>Other Comprehensive income</b>					
Revaluation surplus on property, plant and equipment	-	-	-	221,263,007	-
<b>Other comprehensive income for the year</b>	-	-	-	221,263,007	-
<b>Total comprehensive (loss)/ income for the year</b>	<b>(53,702,668)</b>	<b>(77,241,298)</b>	<b>(83,824,511)</b>	<b>263,531,853</b>	<b>90,980,317</b>
(Loss)/basic earnings per share (kobo)	(6)	(9)	5	5	62
Net assets per share (kobo)	80	86	95	104	80

(Loss)/basic earnings per share are calculated on the (loss)/profit after tax and the number of fully paid ordinary shares at the end of each year.

Net assets per share are based on the net assets and the number of fully paid ordinary shares at the end of each year.