

2023

**THE INITIATES PLC UNAUDITED ACCOUNT
FOR THIRD QUARTER ENDED 30TH SEPT. 2023**



TIP Commercial

THE INITIATES PLC.

10/9/2023



DOCUMENT TITLE: 2023 THIRD 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 Third quarter ended 30th September 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 30th June 2022 were approved by directors on 25th of October, 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 THIRD
QUARTER ENDED 30TH SEPTEMBER 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 Odejobi

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 SEPTEMBER 2023

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: 31ST DECEMBER
REPORTING PERIOD: 2023 THIRD QUATER (1ST JULY - 30TH SEPTEMBER 2023)
SHARE PRICE AS AT REPORTING DATE: N1.03 (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%
Details of Substantial Shareholdings (5% and above)				
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
Total Substantial Shareholdings	640,711,180	71.19	645,638,532	71.74
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
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 IYKE LIMITED)	37,550,000	4.17	37,550,000	4.17
OBOH CHARLES AROAWODE	-	-	1,000,000	0.11
Total Directors' Shareholdings	58,972,557	6.55	59,972,557	6.66
Details of Other Influential shareholdings, if any (E.g. Government, Promoters)				
EMPLOYEES	5,432,282	0.60	5,432,282	0.60
Total of Other Influential Shareholdings	5,432,282	0.60	5,432,282	0.60
Free Float in Unit and Percentage	194,883,981	21.65	188,956,629	21.00
Free Float in Value	₦ 200,730,500.43		₦ 75,582,651.60	

(A) THE INITIATES Plc with a free float percentage of 21.65% as at 30th September 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 N200,730,500.43 as at 30th September 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 third quarter ended 30th September 2023; and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the third quarter ended 30th September 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 third quarter ended 30th September 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 third quarter ended 30th September 2023; was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 24th October, 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

Mr. Adegbite Olushola Babawale Shareholder Representative



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EXECUTIVE SUMMARY:

1.1 THIRD QUARTER (JULY – SEPTEMBER 2023)

TIP reported a total revenue of N774.39M (2022: N338.91M) represent over 128.49% increase over same period in 2022. A gross Profit of N223.48 Million naira was reported for the quarter as against N44.05 Million showing a remarkable performance. An outstanding Net profit before tax of N159.51 was reported against the loss of N40.95 Million naira reported in 2022 3rd quarter showing an exceptional performance

1.2 YEAR TO DATE (JAN- SEPTEMBER 2023) REPORT:

TIP posted a total revenue of NGN1,304.45M (2022: N842.73M) which represent over 54.79% increase over the revenue of September 2022. In line with TIP Growth Strategy of generating revenue from Non-Oil and Gas Revenue Clients, TIP generated N19.81M from Non-Oil and Gas Clients representing 2% of the YTD revenue. These are laudable and impressive performances for TIP.

Gross Profit of N428.00 Million naira was reported for the period showing an outstanding performance in comparison to same period in (2022 N267.10 Million).

Notwithstanding the high inflation, fluctuating exchange rate, and cost of sales especially diesel the Management of TIP is elated at this performance and the Net Profit of before tax of N218.04 Million naira (2022: 37.08) for the period under review. This has contributed to revival of the depleted retain earning to about 200M.



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BALANCE SHEET

TIP Balance Sheet value shows a total asset of over NGN2.6 Billion as 30th September, 2023

1. Trade Receivables: This stood at NGN777.84M as 30 September, 2023 with only NGN8.5M above 90 days.

2. Trade Payable: NGN522.76M is the Account Payable balance as at the close of business (COB) on the 30 September, 2023.

3. Measurement of Liquidity:

TIP liquidity including Cash & Cash Equivalent at the close of the September 30th 2023 shows NGN44.49M. There is a clear sign that TIP still shows signs of liquidity challenges but this is attributed to number of projects and Clients TIP has currently. The Company's Gearing Ratio has dropped to 1:62 resulting from the paid loans as at 30th September, 2023.

The Management and Board are pleased that this continuous increase in revenue will be sustained into the future especially with the development of its Western Base at Kwale.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE PERIOD THIRD QUARTER ENDED 30TH SEPTEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH SEPTEMBER

	THREE MONTHS ENDED 30TH SEPTEMBER			THIRD QUARTER ENDED 30TH SEPTEMBER		
	ACTUAL	HISTROY	CHANGE	ACTUAL	HISTROY	CHANGE
	N'Mn	N'Mn	%	N'Mn	N'Mn	%
Revenue	774.39	338.91	128.49	1,304.45	842.73	54.79
Direct cost	550.92	294.86	86.84	876.45	623.54	40.56
Gross Profit	223.48	44.05	407.27	428.00	219.19	95.26
Other Income	-	-	-	-	3.42	-
Total Indirect Cost	48.11	74.25	(35.21)	154.06	153.68	0.25
Financial Cost	15.85	10.75	47.48	55.90	31.84	75.56
Profit Before Tax	159.51	(40.95)	(489.53)	218.04	37.08	487.98
Provision of Income Tax Expense	51.04	-	100.00	69.77	11.87	487.98
Profit for the period	108.47	(40.95)	(364.88)	148.26	25.22	487.98

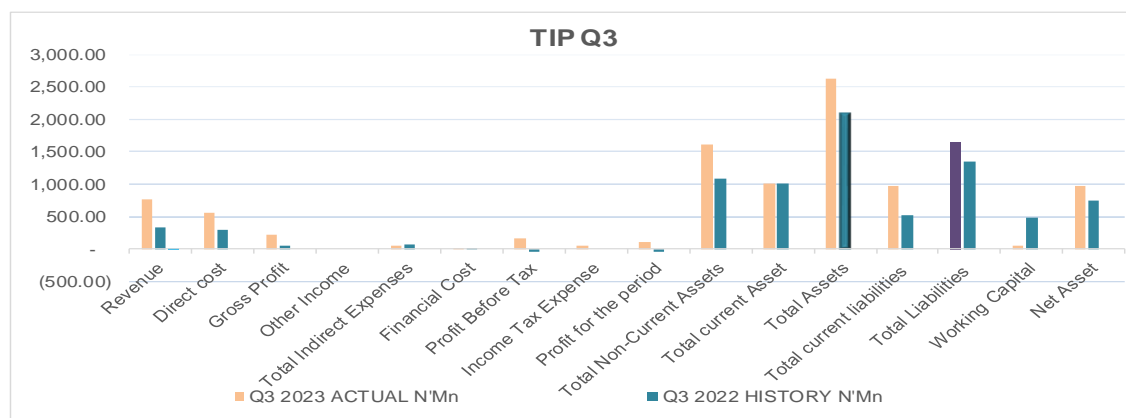
STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER

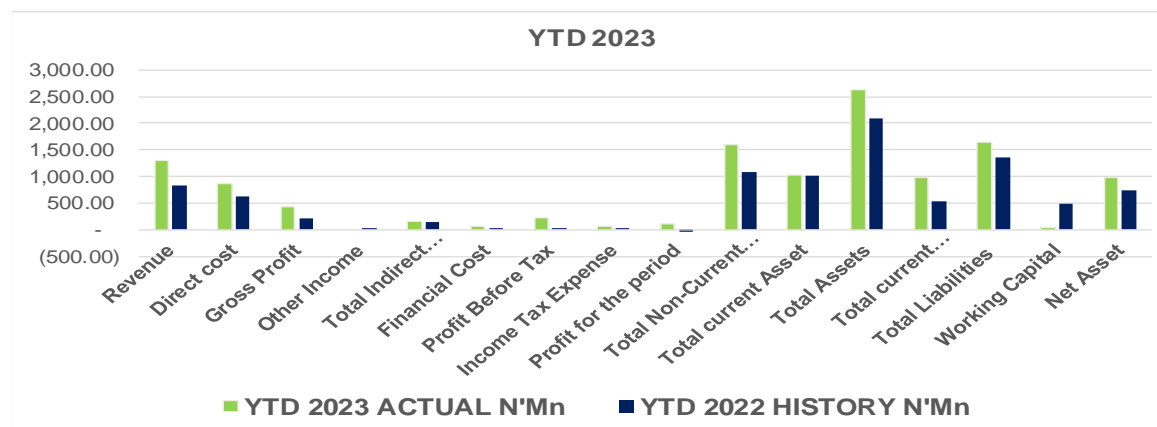
	ACTUAL	HISTROY	CHANGE
	N'Mn	N'Mn	%
ASSETS			
Non-Current Assets			
Property, plant and Equipment	1,575.98	1,047.63	50.43
Other non - current asset	31.22	29.05	100.00
Total Non-Current Assets	1,607.19	1,076.68	49.27
Current Assets			
Inventories	10.40	16.51	(36.98)
Trade receivables	777.84	553.94	40.42
Cash and cash equivalents	44.49	291.86	(84.76)
Current tax assets	146.10	91.35	59.93
Other current tax assets	37.22	54.31	(31.48)
Total current Asset	1,016.04	1,007.98	0.80
Total Assets	2,623.24	2,084.65	25.84
Non-Current Liabilities			
Deferred tax	82.52	123.08	(32.96)
Long Term Borrowing	600.00	700.00	(14.29)
Total Non-Current Liability	682.52	823.08	(17.08)
Current Liabilities			
Trade and Other payables	522.76	420.64	24.28
Other current tax liabilities	69.77	11.87	487.98
Other current tax liabilities	250.70	86.62	189.41
Employees' benefits	1.85	3.63	(49.11)
Short term borrowings	124.62	1.72	7,160.05
Total current liabilities	969.70	524.48	84.89
Total Liabilities	1,652.22	1,347.56	22.61
Working Capital	46.34	483.49	(90.42)
Net Asset	971.01	737.09	31.74



	KEY RATIOS			
	THREE MONTHS ENDED 30TH SEPTEMBER		THIRD QUARTER ENDED 30TH SEPTEMBER	
	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Earnings Per Share	0.12	(0.05)	0.17	0.03
Gross Profit Margin	28.86	13.00	32.81	26.01
Net Profit Margin	14.01	(12.08)	11.37	2.99
Net Asset Per Shares	1.09	0.83	1.09	0.83
Return on Capital Employed	6.56	(2.62)	8.97	1.62
Current Ratios	1.05	1.92	1.05	1.92
Net Working Capital:	0.06	1.43	0.04	(0.69)
Fixed Asset Turnover:	0.68	0.35	1.15	0.86
Receivables Turnover	1.99	1.22	3.35	4.71
Payables Turnover	(2.29)	(1.75)	(3.94)	(3.70)
Return On Equity	0.30	0.16	0.15	0.03
Return On Assets	0.30	0.16	0.50	0.40
Price Earning per Share	4.10	(10.87)	3.00	17.65
Gearing Ratio	0.62	0.95	0.62	0.95
Return on Sales	0.14	(0.12)	0.11	0.03
Annual Revenue Increase	1.28	3.88	0.55	3.73
Annual Net Profit Increase	(3.65)	1.00	0.06	(1.27)
Net Profit Per Staff	2,213,607.03	(818,995.35)	2,965,288.21	514,609.37



Graphical representation of TIP'S THIRD QUARTER 2023 performance



Graphical representation of TIP'S 2023 THIRD QUARTER YEAR Performance



THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	Note	ACTUAL		HISTORY		ACTUAL		HISTORY		2022	2021
		Q3 2023	REVENUE	Q3 2022	CHANGE	YTD 2023	REVENUE	YTD 2022	CHANGE		
		N	%	N	%	N	%	N	%	N	N
Continuing Operations											
Revenue from contracts with customers	6	774,391,483	100%	338,913,408	128.49	1,304,450,355	100%	842,728,062	54.79	841,469,215	333,899,008
Cost of sales	7	550,915,280	71%	294,858,691	86.84	876,450,912	67%	623,538,309	40.56	641,990,433	258,944,025
Gross profit		223,476,203	29%	44,054,716	(100.00)	427,999,442	33%	219,189,753	95.26	199,478,782	74,954,983
Other income	6a	-	0%	-	-	-	0%	3,415,250	-	3,741,659	23,144,205
Staff costs	8	15,975,473	2%	15,440,544	3.46	48,819,921	4%	45,857,282	6.46	92,223,763	64,912,954
Depreciation and impairment loss	9	2,291,639	0%	2,243,116	2.16	6,386,615	0%	6,559,570	(2.64)	7,656,673	8,622,343
Administrative expenses	10	29,844,329	4%	56,570,277	(47.24)	98,853,773	8%	101,263,333	(2.38)	161,891,115	62,966,559
Total Indirect Cost		48,111,441	6%	74,253,937	(35.21)	154,060,309	12%	153,680,185	0.25	240,599,790	136,501,856
Results from operating activities		175,364,762	23%	(30,199,220)	(680.69)	273,939,133	21%	68,924,818	297.45	(37,379,349)	(38,402,668)
Finance cost	13	15,854,844	2%	10,750,547	47.48	55,903,236	4%	31,842,672	75.56	19,698,085	29,276,823
Profit before tax		159,509,918	21%	(40,949,767)	(489.53)	218,035,898	17%	37,082,146	487.98	(57,077,434)	(67,679,491)
Provision for income tax expense	14.1	51,043,174	7%	-	100.00	69,771,487	5%	11,866,287	487.98	(10,331,054)	(15,004,809)
Profit for the year		108,466,744	14%	(40,949,767)	(364.88)	148,264,410	11%	25,215,859	487.98	(67,408,488)	(82,684,300)
Other Comprehensive income											
Foreign currency translation difference	6b	104,896,841		2,367,331	4,331.02	109,885,269		(54,693,532)	(300.91)	13,705,820	4,185,362
Revaluation surplus on property, plant and equipment	23.3	-		-	-	-		-	-	-	-
Other comprehensive income for the year		104,896,841		2,367,331	4,331.02	109,885,269		(54,693,532)	(300.91)	13,705,820	4,185,362
Total comprehensive income for the year		213,363,586		(38,582,436)	(653.01)	258,149,679		(29,477,673)	(975.75)	(53,702,668)	(78,498,938)
Basic earnings per share (kobo)	35	0.12		(0.05)	(364.88)	0.17		0.03	487.98	(0.06)	(0.09)

The notes on pages 16 to 29 form part of these financial statements.

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

	Note	ACTUAL YTD 2023	HISTORICAL YTD 2022	CHANGE %	2022 N	2021 N
Assets						
Non-current assets						
Property, plant and equipment	15	1,134,954,884	976,845,570	16.19	1,140,204,567	833,863,484
Assets in Transit	16	335,879,950	-	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	70,785,069	48.53	105,140,247	6,307,001
		1,607,193,148	1,076,679,306	35	1,541,620,765	869,219,152
Current assets						
Inventories	18	10,402,543	16,505,825	(36.98)	14,931,947	6,421,555
Trade and other receivables	19	777,837,093	553,941,328	40.42	293,883,501	159,103,023
Cash and cash equivalents	21	44,489,521	291,862,680	(84.76)	159,028,727	658,175,730
Current tax assets	22	146,097,599	91,352,207	59.93	62,910,235	78,079,975
Other current assets	23	37,215,807	54,313,525	(31.48)	17,643,299	23,450,252
		1,016,042,563	1,007,975,565	0.80	548,397,709	925,230,535
Total current assets		1,016,042,563	1,007,975,565	0.80	548,397,709	925,230,535
Total Assets		2,623,235,711	2,084,654,871	25.84	2,090,018,474	1,794,449,687
Equity and Liabilities						
Equity						
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	204,770,311	(29,154,373)	(802.37)	(53,379,368)	323,300
		971,014,622	737,089,938	31.74	712,864,942	766,567,611
Non-current liabilities						
Deferred tax liabilities	14.4	82,519,191	123,084,353	(32.96)	82,519,191	123,084,353
Long Term Borrowing	31	600,000,000	700,000,000	100.00	700,000,000	700,000,000
Current liabilities						
Trade and other payables	28	522,762,013	420,642,482	24.28	458,671,004	122,172,083
Current tax liabilities	14	69,771,487	11,866,287	487.98	7,550,070	834,428
Other current tax liabilities	29	250,698,496	86,622,952	189.41	126,139,797	80,864,267
Employees' benefits	30	1,848,636	3,632,325	(49.11)	2,937,537	926,945
Short term borrowing	31.2	124,621,266	1,716,534	7,160.05	-	-
		969,701,898	524,480,580	84.89	595,298,408	204,797,723
Total current liabilities		969,701,898	524,480,580	84.89	595,298,408	204,797,723
Total liabilities		1,652,221,089	1,347,564,933	22.61	1,377,817,599	1,027,882,076
Total equity and liabilities		2,623,235,711	2,084,654,871	25.84	2,090,682,541	1,794,449,687

These financial statements were approved by the Board of Directors on 25TH OCTOBER 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

.....
Rosemary Taneh
Chief Finance Officer
FRC No:FRC/2017/ICAN/00000016060

The notes on pages 16 to 29 form part of these financial statements.



THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30TH SEPTEMBER 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	-	-	-	258,149,679	258,149,679
	444,990,776	17,780,000	303,473,535	204,770,311	971,014,622
At 30th September	444,990,776	17,780,000	303,473,535	204,770,311	971,014,622

FOR THE PERIOD ENDED 30TH SEPTEMBER 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	-	-	-	(29,477,673)	(29,477,673)
	444,990,776	17,780,000	303,473,535	(29,154,372)	737,089,939
At 30th September	444,990,776	17,780,000	303,473,535	(29,154,372)	737,089,939



THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

Note	ACTUAL Q3 2023 N	HISTORY Q3 2022 N	CHANGE %	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
Cashflow from Operating Activities								
	233,082,047	225,402,275	3.41	291,303,032	481,799,607	(39.54)	585,946,491	289,836,168
	(241,999,491)	(415,354,672)	(41.74)	(311,303,600)	(585,140,456)	(46.80)	(239,728,740)	(208,377,208)
	(15,975,473)	(15,440,544)	3.46	(48,819,921)	(59,577,743)	(18.06)	(92,223,763)	(64,912,954)
	-	-	-	-	-	-	-	(999,500)
Total	(24,892,916)	(205,392,942)	(87.88)	(68,820,489)	(162,918,593)	(57.76)	253,993,988	15,546,506
Cashflow from Investment Activities								
	(87,247,112)	(176,683,570)	(50.62)	(114,436,748)	(176,683,570)	(35.23)	(633,677,455)	(22,986,719)
	-	-	-	-	-	-	(98,833,246)	-
	-	-	-	-	3,415,250	(100.00)	640	-
Total	(87,247,112)	(176,683,570)	(50.62)	(114,436,748)	(173,268,320)	(33.95)	(732,510,061)	(22,986,719)
Cashflow from Financing Activities								
	124,621,266	5,000,000		124,621,266	5,000,000		5,000,000	729,500,000
	-	(3,283,466)		-	(3,283,466)		(5,000,000)	(46,500,000)
	-	-		-	-		-	3,010,623
	-	-		-	-		366,415	241,055
	-	-		-	-		(1,299,260)	-
	(15,854,844)	(10,750,547)	47.48	(55,903,236)	(31,842,672)	75.56	(19,698,085)	(29,276,823)
Total	108,766,422	(9,034,013)	(1,303.97)	68,718,030	(30,126,138)	(328.10)	(20,630,930)	656,974,855
Net Cash Flow	(3,373,606)	(391,110,524)	(99.14)	(114,539,206)	(366,313,050)	(68.73)	(499,147,003)	649,534,642
Opening Balance	47,863,127	682,973,204	(92.99)	159,028,727	658,175,730	(75.84)	658,175,730	8,641,088
Closing Balance	44,489,521	291,862,680	(84.76)	44,489,521	291,862,680	(84.76)	159,028,727	658,175,730



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	ACTUAL Q3 2023 N	HISTORY Q3 2022 N	CHANGE %	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
6. Revenue from contracts with customers								
Waste Management Service	601,134,993	268,826,637	123.61	855,992,160	540,492,871	58.37		
Industrial Cleaning Service	173,256,490	70,086,770	147.20	448,458,194	302,235,191	48.38		
	774,391,483	338,913,408	128.49	1,304,450,355	842,728,062	54.79	841,469,215	333,899,008
The revenue from contracts with customers is made up of:								
TDU	533,090,443	222,028,299	140.10	712,103,763	406,565,502	75.15	362,635,385	136,458,363
Incineration	49,427,540	31,247,804	58.18	98,066,469	84,038,546	16.69	83,259,628	62,302,946
E- Waste	18,617,010	15,550,535	19.72	45,821,928	49,888,823	(8.15)	114,952,127	76,419,104
Asbestos	-	-	-	-	-	-	280,622,075	58,718,595
ICS Vessel	6,531,230	9,649,504	(32.32)	35,959,998	55,560,925	(35.28)		
ICS FPSO	166,725,260	60,437,267	175.86	412,498,196	246,674,267	67.22		
ICS - HE	-	-	-	-	-	-		
	774,391,483	338,913,408	128.49	1,304,450,355	842,728,061.90	54.79	841,469,215	333,899,008
6a. Other income								
Sale of secondary product	-	-	-	-	-	-		21,211,250
Interest received	-	-	-	-	-	-	640	-
Debt recovery	-	-	-	-	3,415,250	-	3,415,250	1,710,000
Sundry income	-	-	-	-	-	-	325,769	222,955
	-	-	-	-	3,415,250	-	3,741,659	23,144,205
6b Foreign exchange gains of foreign currency transactions during the year under review.								
Foreign exchange gains	104,896,841	2,367,331	4,331.02	109,885,269	(54,693,532)	(300.91)	13,705,820	4,185,362
7. Cost of sales								
Collection & Haulage	256,145,044	143,220,305	78.85	342,379,669	230,838,108	48.32	175,785,194	50,295,663
Waste Disposal	71,655,000	15,645,065	358.00	111,747,000	24,929,248	348.26	21,909,378	6,388,341
Rental & Handling of TIs & Eqpt	117,888,018	69,912,027	68.62	172,305,553	140,510,372	22.63	137,402,303	37,371,255
Equipment Repairs Maintenance	11,911,610	11,654,115	2.21	27,682,428	24,181,993	14.48	22,490,507	3,258,187
Employee Cost	11,076,392	6,985,256	58.57	27,625,589	18,386,621	50.25	35,603,096	9,717,493
Transport and Travelling	2,917,716	514,500	467.10	11,373,643	6,259,337	81.71	26,349,347	15,392,369
Consumables	54,216,170	5,960,957	809.52	116,414,248	40,217,144	189.46	8,010,542	1,332,958
Depreciation	9,308,733	9,192,233	1.27	27,890,380	27,363,752	1.92	81,051,060	31,251,821
Direct wages	4,606,625	26,754,800	(82.78)	13,260,425	66,614,600	(80.09)	36,261,211	35,638,604
Security and Community Expenses	4,170,000	1,190,000	250.42	8,146,458	21,178,000	(61.53)	48,923,200	20,969,577
QHSE Compliance Monitoring	2,065,250	1,557,575	100.00	5,929,800	14,567,809	(59.30)	43,183,734	44,936,919
Permit	4,555,522	2,221,858	105.03	10,044,120	4,991,325	101.23	-	890,838
Business Development	399,200	50,000	100.00	1,651,600	3,500,000	(52.81)	5,020,861	1,500,000
	550,915,280	294,858,691	86.84	876,450,912	623,538,309	40.56	641,990,433	258,944,205



DOCUMENT TITLE: 2023 THIRD QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

8. Staff costs								
Staff Salaries and Wages (Corporate)	12,181,627	11,812,129	3.13	36,963,021	33,001,168	12.01	73,476,897	54,084,988
Staff Pensions (Employer)	1,324,215	1,203,813	10.00	3,854,410	3,299,594	16.81	6,063,092	3,879,910
Staff Welfare	-	50,000	(100.00)	250,000	300,000	(16.67)	1,935,600	487,250
Terminal Benefit	-	-	#DIV/0!	1,053,913	2,815,520	(62.57)	3,323,966	2,670,146
Leave	-	356,895	(100.00)	-	1,850,640	(100.00)		
Medical Expense	2,469,631	2,017,707	22.40	6,698,577	4,590,360	45.93	7,424,208	3,790,660
	15,975,473	15,440,544	3.46	48,819,921	45,857,282	6.46	92,223,763	64,912,954
8b.								
Total employee costs recognised in profit or loss								
Cost of sales	11,076,392	6,985,256	58.57	27,625,589	18,386,621	50.25	26,349,347	15,392,369
Administrative expenses	15,975,473	15,440,544	3.46	48,819,921	45,857,282	6.46	92,223,763	64,912,954
	27,051,865	22,425,800	20.63	76,445,510	64,243,903	18.99	118,573,110	80,305,323
9. Depreciation and impairment loss								
Depreciation	2,291,639	2,243,116	2.16	6,386,615	6,559,570	(2.64)	7,656,673	8,622,343
10. Administrative expenses								
Directors' emolument	6,510,000	4,140,000	57.25	19,530,000	10,780,200	81.17	18,500,000	11,297,520
Directors' allowances and expenses	510,000	3,246,983	(84.29)	5,225,386	5,546,983	(5.80)	6,584,483	3,916,513
Directors' fees	687,500	562,500	22.22	2,062,500	1,687,500	22.22	2,750,000	2,250,000
Transport and travelling expenses	833,437	1,376,600	(39.46)	2,857,215	3,584,066	(20.28)	5,302,875	3,110,924
Professional fees	1,279,378	21,290,262	(93.99)	4,366,373	23,831,843	(81.68)	42,713,834	4,409,577
Electricity	2,092,589	741,207	182.32	3,598,619	2,042,056	76.23	2,856,275	2,400,889
Fuel and diesel	4,646,600	6,608,375	(29.69)	18,644,920	14,161,215	31.66	10,819,401	4,964,936
Licenses and levies	554,506	874,800	(36.61)	1,317,006	1,870,318	(29.58)	1,919,848	1,708,857
Donation & Gift	200,000	500,000	(60.00)	400,000	750,000	(46.67)	1,080,000	560,000
Repairs and maintenance	1,767,600	2,115,837	(16.46)	3,390,600	5,451,057	(37.80)	6,378,713	3,050,033
Printing and stationery	243,533	251,169	(3.04)	980,970	1,524,259	(35.64)	2,090,131	787,266
Insurance	1,021,231	2,142,548	(52.34)	3,957,055	3,351,159	18.08	4,509,346	4,442,527
Telephone and postage	169,571	307,775	(44.90)	527,922	716,858	(26.36)	1,044,258	732,224
Entertainment	96,685	76,850	25.81	443,685	257,100	72.57	437,310	369,600
Internet expenses	197,334	330,000	(40.20)	501,682	1,540,314	(67.43)	2,216,314	2,476,150
Industrial Training Fund	422,453	1,267,642	100.00	1,267,361	2,301,109	100.00	1,035,626	1,011,937
Bank Charges	1,414,944	1,069,446	32.31	2,510,147	2,742,053	(8.46)		
Training expenses	-	70,500	-	195,000	70,500	100.00	171,500	1,548,700
Local content tax	921,496	1,118,602	(17.62)	12,095,613	2,517,396	380.48	5,621,771	2,277,341
Subscription	558,096		100.00	1,269,489	683,450	85.75	1,255,868	1,263,950
Meal expenses	1,524,550	1,074,170	41.93	3,849,370	2,902,880	32.61	3,824,540	3,176,790
Corporate social responsibility	1,178,000	5,000,000	-	1,178,000	5,000,000	100.00	5,000,000	-
Balances written off	-		-			100.00	17,344,935	393,488
Auditors' remuneration	1,000,000	800,000	25.00	3,000,000	2,400,000	25.00	2,500,000	2,000,000
Security expenses	904,213	758,555	19.20	2,914,921	1,876,160	55.37	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	1,110,611	846,456	31.21	2,769,938	3,674,857	(24.62)	5,177,586	2,146,209
	29,844,329	56,570,277	(47.24)	98,853,773	101,263,333	(2.38)	162,555,182	62,966,559



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 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 Q3 2023 N	HISTORY Q3 2022 N	CHANGE	ACTUAL YTD 2023	HISTORY YTD 2022	CHANGE	2022 N	2021 N
Other financial charges	180,000	-	100.00	4,516,429	-	100.00	16,625,415	8,977,108
Interest on loans	15,674,844	10,750,547	45.81	51,386,806	31,842,672	61.38	3,072,670	20,299,715
	15,854,844	10,750,547	47.48	55,903,236	31,842,672	75.56	19,698,085	29,276,823
14. Taxation								
14a Income tax expense								
Company income tax	47,852,975	(12,284,930)	(489.53)	65,410,769	11,124,644	487.98	4,207,346	834,748
Education tax	3,190,198	(818,995)	(489.53)	4,360,718	741,643	488	690,285	-
	51,043,174	(13,103,926)	(489.53)	69,771,487	11,866,287	487.98	4,897,631	834,748
	-	-	-	-	-	-	-	-
Prior year under-provision	-	-	-	-	-	-	45,998,585	-
Current tax expense	51,043,174	(13,103,926)	(489.53)	69,771,487	11,866,287	487.98	50,896,216	834,748
Deferred tax	-	-	-	-	-	-	(40,565,162)	14,170,061
Income tax expense as per profit or loss	51,043,174	(13,103,926)	(489.53)	69,771,487	11,866,287	487.98	10,331,054	15,004,809
14b Current tax liabilities								
Movement in Income tax liabilities								
At 1 January	69,771,487	834,428	-	-	-	-	834,428	61,106,615
Prior year under-provision	-	-	-	-	-	-	45,998,585	-
Payments during the year	-	-	-	-	-	-	-	(999,500)
Tax charge for the year	51,043,174	(13,103,926)	(490)	69,771,487	11,866,287	487.98	4,897,631	834,748
Withholding tax credit notes applied	-	-	-	-	-	-	(44,180,574)	(60,107,435)
At 30th September	120,814,661	(12,269,498)	(1,084.67)	69,771,487	11,866,287	487.98	7,550,070	834,428
14.3 Reconciliation of effective tax rate								
Profit for the year before tax	159,509,918	(40,949,767)	(489.53)	218,035,898	37,082,146	487.98	(43,371,614)	(62,236,489)
Income tax using the company's domestic tax rate of 30%	47,852,975	(12,284,930)	(489.53)	65,410,769	11,124,644	487.98	4,207,346	834,748
Education tax using tax rate of 2%	3,190,198	(818,995)	(489.53)	4,360,718	741,643	487.98	-	-
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	-	-	-	-	-	-	-	-
Tax charge in income statement (Income tax and Education tax)	51,043,174	(13,103,926)	(489.53)	69,771,487	11,866,287	487.98	4,897,631	834,748



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

14.4 Deferred tax liabilities

	ACTUAL	HISTORICAL	CHANGE			Total
	YTD 2023	YTD 2022	%	Accelerated tax	Depreciation	
	N	N		N		
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)
At 30th September 2023	82,519,191	123,084,353	(32.96)	100,958,053	22,126,300	82,519,191

15. Property, Plant and Equipment

15.1 Summary

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

	ACTUAL	HISTORICAL	CHANGE	2022	2021
	YTD 2023	YTD 2022	%	2022	2021
	N	N		N	N
Land	69,426,593	43,600,000	59.24	65,500,000	43,600,000
Buildings	157,812,414	161,062,697	(2.02)	160,436,456	163,693,178
Capital Work-in-Progress	309,396,912	-	100.00	309,396,912	-
Motor Vehicle	15,306,802	5,651,281	170.86	5,643,396	-
Plant and Machinery	579,837,587	759,342,493	(23.64)	594,820,385	619,595,034
Furniture and Fittings	13,686	73,016	(81.26)	116,414	344,240
Office & HSE Equipment	3,160,890	7,116,083	(55.58)	4,291,004	6,631,032
	1,134,954,884	976,845,570	16.19	1,140,204,567	833,863,484

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

	Land	Buildings	Capital Work- in-Progress	Motor Vehicle	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
Deemed Cost	N	N	N	N	N	N	N	N
At 1 January 2023	67,926,593	174,936,120	309,396,912	7,128,500	739,227,830	5,800,299	15,648,501	1,320,064,754
Addition in the year	1,500,000	-	-	11,000,000	11,629,235	-	-	24,129,235
At 30th Sept 2023	69,426,593	174,936,120	309,396,912	18,128,500	750,857,065	5,800,299	15,648,501	1,344,193,989
Accumulated Depreciation and impairment loss								
At 1 January 2023	-	(16,249,025)	-	(2,376,167)	(161,710,745)	(5,756,200)	(11,775,764)	(197,867,900)
Charge for the year	-	(874,681)	-	(445,531)	(9,308,733)	(30,414)	(711,847)	(11,371,205)
At 30th Sept 2023	-	(17,123,706)	-	(2,821,698)	(171,019,478)	(5,786,613)	(12,487,611)	(209,239,105)
Carrying amount								
At 30th Sept 2023	69,426,593	157,812,414	309,396,912	15,306,802	579,837,587	13,686	3,160,890	1,134,954,884
At 30th Sept 2022	43,600,000	163,105,960	-	6,231,313	793,592,009	163,424	7,381,760	1,014,074,465

15.2B FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

	Land	Buildings	Motor Vehicle	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
Deemed Cost	N	N	N	N	N	N	N
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	-	-	7,000,000	166,989,370	-	2,694,200	176,683,570
At 30th Sept 2022	43,600,000	174,696,120	7,000,000	894,873,447	6,513,400	18,323,842	1,145,006,809
Accumulated Depreciation and impairment loss							
At 1 January 2022	-	12,754,923	890,625	126,338,721	6,349,976	10,391,645	156,725,890
Charge for the year	-	878,500	458,094	9,192,233	90,408	816,114	11,435,349
At 30th Sept 2022	-	13,633,423	1,348,719	135,530,954	6,440,384	11,207,759	168,161,238
Carrying amount							
At 30th Sept 2022	43,600,000	161,062,697	5,651,281	759,342,493	73,016	7,116,083	976,845,570
At 30th Sept 2021	43,600,000	164,679,293	-	628,549,144	1,262,743	7,674,798	856,307,216

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 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 statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation

15.4 Capital work-in-progress

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

	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	-
	309,396,912	-	100	309,396,912	-
15.5 Depreciation					
Cost of sales	27,890,380	27,363,752	1.92	36,261,211	35,638,604
Administrative expenses	6,386,615	6,559,570	(2.64)	7,656,673	8,622,343
	34,276,995	33,923,322	1.04	43,917,884	44,260,947
15.6 Security					
All the Company's property, plant and equipment were pledged as security as at 30th September 2023.					
16. Asset-in-transit	335,879,950	-	100	265,057,884	-
This represents Robotic Tank Cleaning Equipment which was not received by The Initiates Plc as at 30th September 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	29,048,667	100.00	11,610,000	-
	31,218,067	29,048,667	100.00	31,218,067	29,048,667

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

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
18. Inventories					
Toiletries	71,885	6,371,183	(98.87)	53,257.00	48,052
Technical material	7,147,239	1,675,945	326.46	6,896,079	1,874,905
QHSE inventory	735,017	601,467	22.20	2,272,867	3,096,045
Stationeries	328,504	7,776,124	(95.78)	286,994	630,650
Diesel	2,119,899	81,108	2,513.69	5,422,750	771,903
	10,402,543	16,505,825	(36.98)	14,931,947	6,421,555

The value of inventories recognised as an expense during the period was N13.876 million (2022: N14.135 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 SEPTEMBER 2023

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
19. Trade and other receivables					
Trade receivables (note 18.1)	775,431,404	550,559,058	40.84	292,029,748	158,451,600
Staff loans and advances (18.2)	2,396,689	3,382,270	(29.14)	1,828,013	642,396
Other Receivable	9,000	-	100.00	9,000	9,027
	777,837,093	553,941,328	40.42	293,866,761	159,103,023
19.1 Trade receivables					
Receivables from customers	775,431,404	564,523,903	37.36	305,994,593	175,831,695
Allowance for expected credit losses (note 18.1.1)	-	(13,964,845)	-	(13,964,845)	(17,380,095)
	775,431,404	550,559,058	40.84	292,029,748	158,451,600
Ageing of trade receivables					
Current	214,464,039	-	100.00	98,130,598	6,910,873
1 - 30 days past due	322,872,334	214,156,593	50.76	-	-
31 - 60 days past due	180,600,025	116,927,644	54.45	-	109,059,576
61 - 90 days past due	48,960,495	192,906,372	(74.62)	-	-
Over 90 days past due	8,534,510	40,533,293	(78.94)	207,863,995	59,861,246
	775,431,404	564,523,902	37.36	305,994,593	175,831,695
19.1.1 Movement in allowance for credit losses					
At 1 January	13,964,845	(17,380,095)	(180.35)	17,380,095	18,846,343
Debt recovery	-	3,415,250	-	(3,415,250)	(1,710,000)
Allowance for the year	-	-	-	-	243,752.00
At 30th September	13,964,845	(13,964,845)	(200.00)	13,964,845	17,380,095
19.2 Key management personnel and staff loans					
Loan to key management personnel	-	-	-	-	-
Staff loans and advances	2,396,689	3,382,270	(29.14)	1,844,753	642,396
Allowance for expected credit losses	-	-	-	-	-
	2,396,689	3,382,270	(29.14)	1,844,753	642,396
19.2b. Relationship with key management Personnel					
Key management personnel include the Directors and the management staff of the Company					
19.2c. Transactions					
During the period, funds were not provided by the key Management Personnel of the Company.					
20 Investments as at 30th September	105,140,247	70,785,069	48.53	105,140,247	7,595,769
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 60:40.					
The balance is made up of the following:					
Pre-Incorporation expenses	6,307,001	64,478,068	(90.22)	6,307,001	6,307,001
Cost of TDU Plant	85,562,903	6,307,001	1,256.63	85,562,903	-
Funds provided as working capital	8,674,388	-	100.00	8,674,388	-
Other expenses	4,595,955	-	100.00	4,595,955	1,288,768
	105,140,247	70,785,069	48.53	105,140,247	7,595,769



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	ACTUAL	YTD 2023	HISTORY	CHANGE	2022	2021
	N		YTD 2022	%	N	N
21. Cash and cash equivalents						
Cash and cash equivalents represent cash in hand and at bank as at end of period.						
Cash in hand		295,323	442,011	(33.19)	59,900	161,649
Cash at bank		38,284,100	286,199,406	(86.62)	153,381,150	651,493,558
		38,579,423	286,641,416	(86.54)	153,441,050	651,655,207
Short Term Investment (note 19.1)		5,910,098	5,221,263	13.19	5,587,677	6,520,523
		44,489,521	291,862,680	(84.76)	159,028,727	658,175,730

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 2024) with the interest rates of 10%.

22. Current tax assets

These represent withholding tax receivable as at year end.

	ACTUAL	YTD 2023	HISTORY	CHANGE	2022	2021
	N		YTD 2022	%	N	N
At 1 January		62,910,235	78,079,975	(19.43)	78,079,975	125,401,944
Withholding tax in the year		83,187,364	13,272,232	526.78	29,010,834	12,785,467
Withholding tax utilised during the year		-	-		(44,180,574)	(60,107,436)
At 30th September		146,097,599	91,352,207	59.93	62,910,235	78,079,975
23. Other current assets						
Prepaid security and community expenses		-	5,644,615	(100.00)	-	10,000,000
Prepaid insurance		1,921,999	5,197,162	(63.02)	4,332,699	4,009,652
Prepaid fees on loan - Current		9,440,600	9,545,695	(1.10)	9,440,600	9,440,600
Prepaid fees on loan - Non - Current		19,608,067	27,048,667	(27.51)	3,870,000	-
Prepaid Medicals		6,245,141	6,877,386	(9.19)	-	-
Prepaid expenses		37,215,807	54,313,525	(31.48)	17,643,299	23,450,252

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

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021
24. Share capital					
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
At 30th September	17,780,000	17,780,000	-	17,780,000	17,780,000

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

At 1 January	303,473,535	303,473,535	-	303,473,534	303,473,535
At 30th September	303,473,535	303,473,535	-	303,473,534	303,473,535



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

	ACTUAL YTD 2023	HISTORY YTD 2022	CHANGE	2022	2021
	N	N	%	N	N
27. Retained earnings					
At 1 January	(53,379,368)	323,300	(16,610.79)	323,300	77,564,598
Profit for the year	258,149,679	(29,477,673)	(976)	(53,702,668)	(77,241,298)
	204,770,311	(29,154,373)	(802.37)	(53,379,368)	323,300
At 30th September	204,770,311	(29,154,373)	(802.37)	(53,379,368)	323,300
28. Trade and other payables					
Trade payables	370,125,484	316,818,946	16.83	401,816,766	36,002,797
Dividend payable (note 28.2)	6,191,409	6,334,895	(2.27)	6,191,409	7,124,254
Advances from customer (note 28.1)	35,988,893	33,288,893	8.11	35,488,893	63,320,246
Other payables	155,621	-	100.00	155,621	116,800
Accruals (note 28.3)	110,300,605	64,199,748	71.81	15,018,315	15,607,986
	522,762,013	420,642,482	24.28	458,671,004	122,172,083
28.1 Advances from customer					
These represent payments made by Belbop Nigeria Limited and Caleb Roland in the current year for jobs yet to be executed.					
28.2 Dividend payable					
At 1 January	6,191,409	7,124,254	(13.09)	3,603,731	3,603,731
Unclaimed dividends	-	(1,299,259)	-	3,010,623	3,010,623
Prior Year Dividends approved during the year	-	509,900	-	876,315	509,900
Payments made during the year	-	-	-	(1,299,260)	-
At 30th September	6,191,409	6,334,895	(2.27)	6,191,409	7,124,254
28.3 Accruals					
Accrued Auditors Fees	3,000,000	2,400,000	25.00	2,500,000	2,000,000
Accrued Directors' Fees	2,062,500	3,575,439	(42.31)	2,750,000	1,200,000
Accrued Interest on Loan	17,803,717	4,333,500	310.84	3,911,547	-
Accrued Performance Bonus	-	1,009,800	(100.00)	1,500,000	3,567,123
Accrued Contract Staff Salary	2,318,272	1,009,937	129.55	-	1,009,937
Professional Fees	1,500,000	33,028,000	100.00	25,800	-
Accrued Security & Com Expense	1,681,389	1,265,482	100.00	4,158,308	7,534,136
Accrued Interest on Unclaimed Dividend	876,314	1,334,773	100.00	172,660.15	296,790
Accrued Provision for Waste Disposal	81,058,413	16,242,816	100.00	-	-
	110,300,605	64,199,748	71.81	15,018,315	15,607,986
29. Other current tax liabilities					
Pay As You Earn	409,421	976,244	(58.06)	1,475,348	634
Withholding tax payable	54,309,823	29,786,608	82.33	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	57,668,120	25,473,588	126.38	40,962,012	23,255,909
Value Added Tax - Customers	137,044,336	29,146,426	370.19	42,465,624	32,533,045
At 30th September	250,698,496	86,622,952	189.41	126,139,797	80,864,267

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

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2022 N	2021 N
30. Employees' benefits					
Defined contribution plans (note 27.1)	1,848,636	3,632,325	(49.11)	2,937,537	926,945
30.1 Defined contribution plans					
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	3,854,410	3,632,325	6.11	10,971,707	8,482,014
Payments made during the period	(4,943,311)	(926,945)	433.29	(8,961,115)	(10,173,361)
At 30th September	1,848,636	3,632,325	(49.11)	2,937,537	926,945.00
31 Borrowings	600,000,000	700,000,000	-	700,000,000	-
31.1. Loan facility from Bank of Industry					
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	(100,000,000)	-	-	-	-
	600,000,000	700,000,000	-	700,000,000	700,000,000
31.2. Short Term Borrowings					
These represent loan facility of \$137,000 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	124,621,266	-	100.00	-	24,500,000
Loan in the year	-	5,000,000	(100.00)	5,000,000	5,000,000
Repayments in the year	-	3,283,466	(100.00)	(5,000,000)	(29,500,000)
At 30th September	124,621,266.15	1,716,534	7,160.05	-	-
31.3 Borrowings					
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 Network.					



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	ACTUAL Q3 2023 N	HISTORY Q3 2022 N	ACTUAL YTD2023 N	HISTORY YTD 2022 N	2022	2021
32. Information regarding directors and employees						
32.1. Directors						
Directors' emoluments comprises:						
Fees	-	1,125,000	-	-	-	-
Others - salaries and allowances	6,510,000	6,120,000	19,530,000	10,780,200	18,500,000	11,297,520
	6,510,000	7,245,000	19,530,000	10,780,200	18,500,000	11,297,520
Highest paid Director (Managing Director) - emolument	6,510,000	7,245,000	19,530,000	10,780,200	18,500,000	11,297,520
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	1	-	-	-	-	-
N7,000,001 and above	2	1	1	1	1	1
	3	1	1	1	1	1
32.2 Employees				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
	49	49	49	49	49	46
Aggregate payroll costs	N	N	N	N	N	N
Salaries and allowances	15,975,473	15,440,544	48,819,921	45,857,282	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
	49	49	49	49	49	46



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 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 September 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 Q3 2023 N	HISTORY Q3 2022 N	ACTUAL YTD 2023	HISTORY YTD 2022 %	2022 N	2021 N
Profit attributable to ordinary shareholders (in naira)	213,363,586	(38,582,436)	258,149,679	(29,477,673)	(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	23.97	(4.34)	29.01	(3.31)	(0.06)	(0.09)



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 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 Odejobi 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 FRC/2017/NBA/00000016739.

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.



DOCUMENT TITLE: 2023 THIRD 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 SEPTEMBER 2023

	ACTUAL		HISTORY		ACTUAL		HISTORY		2022		2021	
	Q3 2023		Q3 2022		YTD 2023		YTD 2022		N		N	
	N		N		N		N		N		N	
Revenue from contracts with customers	774,391,483		338,913,408		1,304,450,355		842,728,062		841,469,215		333,899,008	
Other income	-		-		-		3,415,250		17,447,479		27,329,567	
	774,391,483		338,913,408		1,304,450,355		846,143,312		858,916,694		361,228,575	
Less: Bought in materials and services												
Imported												
Local	587,305,720		352,987,282		1,003,317,540		729,280,562		812,145,246		314,291,163	
Value added	187,085,763	100%	(14,073,875)	100%	301,132,814	100%	116,862,750	100%	46,771,448	100%	46,937,412	100%
Applied as follows:												
To pay employees' salaries wages and other benefits	15,975,473	9	15,440,544	(110)	48,819,921	16	45,857,282	39	92,223,763	197	64,912,954	138
To pay Government taxation	51,043,174	27	-	-	69,771,487	23	11,866,287	10	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	11,600,372	6	11,435,349	(81)	34,276,995	11	33,923,322	29	43,917,884	94	44,260,947	95
- retained in the business	108,466,744	58	(40,949,767)	291	148,264,410	49	25,215,859	22	(53,702,668)	(115)	(77,241,298)	(165)
	187,085,763	100	(14,073,875)	100	301,132,814	100	116,862,750	100	46,771,448	100	46,937,412	100

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
Statement of Financial Position					
Assets employed					
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
Total Assets	2,090,018,474	1,794,449,687	1,144,338,866	1,149,300,129	1,129,484,260
Equity					
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
Liabilities					
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
Total liabilities and equity	2,090,018,474	1,794,449,687	1,144,338,866	1,149,300,129	1,129,484,260
Statement of Profit or Loss and Other Comprehensive Income					
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
Other Comprehensive income					
Revaluation surplus on property, plant and equipment	-	-	-	221,263,007	-
Other comprehensive income for the year	-	-	-	221,263,007	-
Total comprehensive (loss)/ income for the year	(53,702,668)	(77,241,298)	(83,824,511)	263,531,853	90,980,317
(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.