

# 2021

THE INITIATES PLC MANAGEMENT ACCOUNT  
FOR PERIOD ENDED 31<sup>ST</sup> MARCH 2021



TIP Commercial

***THE INITIATES PLC.***

4/17/2021



DOCUMENT TITLE: 2021 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-COM-MNG -0025

REV NO.: 00

Unit/Dept: COMMERCIAL AND FINANCE

Site/Location:

TIP BASE

Completed By: DOUGLAS 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, cashflows and changes in equity for the period ended 31 March 2021, 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 31 March 2020 were approved by directors on 28 April, 2021.

### **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 FIRST  
QUARTER ENDED 31<sup>ST</sup> MARCH 2021**

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

Douglas 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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## **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 first quarter ended, 31<sup>st</sup> March 2021 and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the first quarter account ended 31st March 2021; 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 the first quarter account ended 31st March 2021 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 first quarter ended 31st March 2021 was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 27th April 2020

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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**SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS  
AS AT THE PERIOD ENDED 31ST MARCH 2021**

COMPANY NAME: THE INITIATES PLC.  
BOARD LISTED: GROWTH BOARD  
YEAR END: 31ST DECEMBER  
REPORTING PERIOD: 2021 FIRST QUARTER (1ST JAN-31ST MARCH 2021)  
SHARE PRICE AS AT REPORTING DATE: N0.42 (2020: N0.60)

DESCRIPTION	2021		2020	
	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	332,174,967	36.91
OSSAI REUBEN M	190,695,237	21.19	190,695,237	21.19
AFOLAYAN SAMUEL	73,046,061	8.12	65,453,152	7.27
OBOH-OZHEREBE GORDON	58,568,412	6.51	58,568,412	6.51
<b>Total Substantial Shareholdings</b>	<b>645,138,532</b>	<b>71.68</b>	<b>646,891,768</b>	<b>71.88</b>
<b>Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests</b>				
ANOSIKEH JOE OGBONNA	20,295,796	2.26	18,295,796	2.03
ALIKOR ACHI EDWARD	1,126,761	0.13	1,126,761	0.13
EBINUM JOSEPH (INDIRECT - BELL IYKE LIMITED)	37,550,000	4.17	34,550,000	3.84
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>54,972,557</b>	<b>6.11</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	189,456,629	21.05	192,703,393	21.41
Free Float in Value	N79,571,784.18		N115,622,035.80	

(A) THE INITIATES Plc with a free float percentage of 21.05% as at 31st March 2021, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.

(A) THE INITIATES Plc with a free float percentage of 21.41% as at 31st March 2020, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.



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## EXECUTIVE SUMMARY:

### 1. INTRODUCTION

#### a. REVENUE PROFILE

**TIP posted a revenue of NGN54.45m** – which fell short of the same period in 2020 (**NGN161.54m**). **This was due to** the multiplier effect of COVID-19 Pandemic and the global clamour for alternative sources of power as against fossil fuels that has resulted to **Lower drilling operation**. However, as the economy is picking up or recovering gradually, TIP has protected for many jobs, with success rate or chances of award put at about **70%** for most of the prospects.

#### B. GROSS PROFIT:

**TIP posted a gross profit of NGN4.13m**, this also fell short of last year figure (**2020: NGN110.56m**) **Total Direct cost** stood at **92.42%** of Turnover as a result of unsuccessful trial operation and high cost of equipment rental. Above all, TIP has great opportunity opened to it for a retrial and successful operation in the next quarter.

#### C. PROFIT AFTER TAX

TIP reported a profit after tax of (**NGN39.27m**) which fell below **2020-NGN7.70m** by **610.04%**.

#### D. BALANCE SHEET

TIP Balance Sheet values appreciated to **NGN1.156b** as at 31 March, 2021 from **NGN1.144b** in Q4 2020 resulting in a **Net Worth** value of **NGN918.54m** and a sharp drop in **Fixed Asset/Turnover** Ratio of **15.8:1** as against **8.1:1** last quarter.

#### 1. ACCOUNT RECEIVABLE:

This stood at **NGN129.8m** as 31 March, 2021. Out of this amount, only **NGN16.4m** is above 90 days which has been provided for in the previous year.

#### 2. TRADE PAYABLE:

**NGN51.94m** is the Account Payable balance as at the close of business (COB) on the 31, March, 2021.

#### 3. MEASUREMENT OF LIQUIDITY:

TIP witnessed slight liquidity crisis during the period under review. When TIP's Current Assets of **NGN142.46m** (Trade & Other Receivables – **NGN137.26m** and Cash and Cash Equivalent – **NGN5.016m**) is charged against the Current Assets of **NGN233.81m**, a Quick Ratio of almost **1.6:1** is recorded. Hopefully, the liquidity situation will improve upon draw down on the **expected facility** and with **more contracts** or jobs in the second quarter.





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**HIGHLIGHT OF ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2021.**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 31ST MARCH**

	<b>2021</b>	<b>2020</b>	<b>CHANGE</b>
	<b>N'Mn</b>	<b>N'Mn</b>	<b>%</b>
Revenue	54.45	161.54	(66.29)
Direct cost	50.32	110.56	(54.48)
Gross Profit	4.13	50.98	(91.89)
Other Income	0.13	0.36	(64.39)
Total Indirect Cost	27.95	40.02	(30.16)
Financial Cost	6.05	-	100.00
Profit Before Tax	(29.74)	11.32	(362.75)
Provision of Income Tax Expense	9.52	3.62	162.75
Profit for the period	(39.26)	7.70	(610.04)

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31ST MARCH**

	<b>2021</b>	<b>2020</b>	<b>CHANGE</b>
	<b>N'Mn</b>	<b>N'Mn</b>	<b>%</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and Equipment	856.31	873.70	(1.99)
Other non - current asset	10.00	-	100.00
<b>Total Non-Current Assets</b>	<b>866.31</b>	<b>873.70</b>	<b>(0.85)</b>
<b>Current Assets</b>			
Inventories	6.62	5.53	19.60
Trade receivables	137.43	95.10	44.51
Cash and cash equivalents	5.02	10.39	(51.73)
Current tax assets	126.72	126.61	0.09
Other current tax assets	14.71	2.85	416.74
Total current Asset	290.49	240.48	20.80
<b>Total Assets</b>	<b>1,156.80</b>	<b>1,114.18</b>	<b>3.83</b>
<b>Non-Current Liabilities</b>			
Deferred tax	108.91	70.06	55.46
<b>Current Liabilities</b>			
Trade and Other payables	73.65	51.26	43.67
Other current tax liabilities	62.28	39.42	57.99
Other current tax liabilities	66.68	46.37	43.79
Employees' benefits	2.51	1.33	89.52
Short term borrowings	28.69	-	100.00
Total current liabilities	233.82	138.38	68.97
Total Liabilities	342.73	208.44	64.43
Working Capital	(52.24)	32.04	(263.07)
Net Asset	804.07	905.73	(11.22)



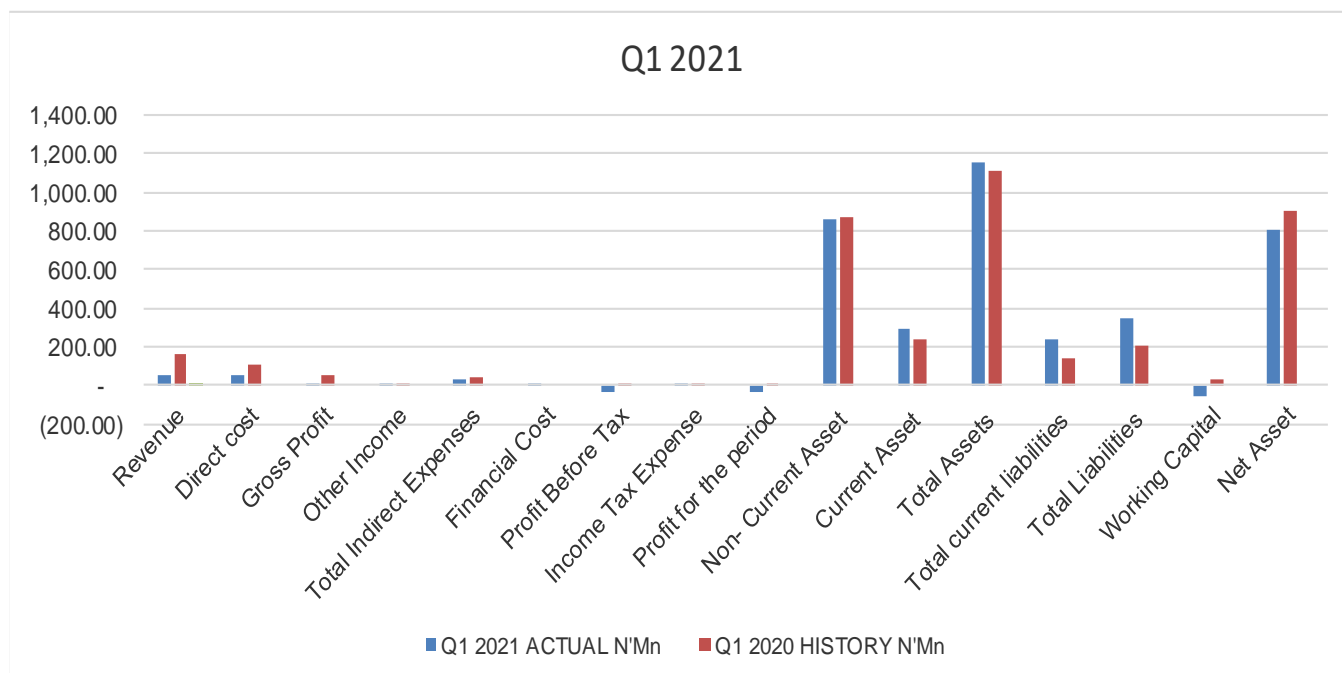
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**KEY RATIOS**

	Q1 2021	Q1 2020	% CHANGE
Earnings Per Share	(0.04)kobo	0.01kobo	0.02
Gross Profit Margin	7.59%	31.56%	40.00
Net Profit Margin	(72.09)	4.76%	6.80
Net Asset Per Shares	0.91kobo	1.02kobo	1.02
Return on Capital Employed	(4.25)x	0.79x	1.42
Current Ratios	1.24x	1.74x	1.59
Net Working Capital:	1.04x	0.63x	0.32
Fixed Asset Turnover:	0.06x	0.18x	0.22
Receivables Turnover	0.79x	3.40x	5.00
Payables Turnover	(2.13)x	(5.87)x	(3.52)
Return On Equity	(0.05)x	0.01x	0.02
Return On Assets	0.05%	0.14%	0.19
Price Earning per Share	(11.34)kobo	57.81kobo	32.04
	0.04%	0%	-



**Graphical representation of TIP's FIRST QUARTER 2021 performance**



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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST MARCH 2021**

	Note	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>Continuing Operations</b>						
Revenue from contracts with customers	6	54,454,825	161,538,724	(66.29)	469,379,792	550,218,779
Cost of sales	7	50,322,624	110,558,004	(54.48)	324,980,699	(285,547,369)
<b>Gross profit</b>		<b>4,132,200</b>	<b>50,980,720</b>	(91.89)	144,399,093	<b>264,671,410</b>
Other income	6a	128,725	361,446	(64.39)	5,989,484	30,140,845
Staff costs	8	10,442,083	16,766,425	(37.72)	55,797,420	(72,773,148)
Depreciation and impairment loss	9	1,713,788	1,978,021	(13.36)	8,333,590	(7,526,599)
Administrative expenses	10	15,797,592	21,278,512	(25.76)	86,022,639	(88,538,219)
Other expenses	11	-	-	-	-	-
Total Indirect Cost		<b>27,953,463</b>	<b>40,022,958</b>	(30.16)	150,153,649	<b>(168,837,966)</b>
<b>Results from operating activities</b>		<b>(23,692,538)</b>	<b>11,319,208</b>	(309.31)	234,927.74	<b>125,974,289</b>
Finance cost	13	6,048,370	-	100.00	(5,918,075)	(30,153,731)
Profit before tax		(29,740,908)	11,319,208	(362.75)	(5,683,147)	95,820,558
Provision for Income tax expense	14.1	9,517,091	3,622,147	162.75	(78,141,363)	(53,551,712)
<b>Profit for the year</b>		<b>(39,257,998)</b>	<b>7,697,062</b>	<b>(610.04)</b>	<b>(83,824,510)</b>	<b>42,268,846</b>
<b>Other Comprehensive income</b>						
Foreign currency translation difference	6b	(1,239,827)	(248,064)	399.80	-	-
Revaluation surplus on property, plant and equipm	23.3	-	-	-	-	221,263,007
<b>Other comprehensive income for the year</b>		<b>(1,239,827)</b>	<b>(248,064)</b>	<b>399.80</b>	<b>-</b>	<b>221,263,007</b>
<b>Total comprehensive income for the year</b>		<b>(40,497,826)</b>	<b>7,448,997</b>	<b>(643.67)</b>	<b>(83,824,510)</b>	<b>263,531,853</b>
<b>Basic earnings per share (kobo)</b>	<b>35</b>	<b>(0.05)</b>	<b>0.01</b>	<b>(626.15)</b>	<b>(0.09)</b>	<b>5</b>

The notes on pages 15 to 32 form part of these financial statements.



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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	15	856,307,216	873,698,915	(1.99)	855,137,712	864,209,717
Other non-current assets		10,000,000	-	100.00	10,000,000	-
<b>Current assets</b>						
Inventories	16	6,617,514	5,533,267	19.60	5,115,611	8,063,918
Trade and other receivables	17	137,430,728	95,098,444	44.51	126,061,106	142,477,084
Cash and cash equivalents	18	5,016,630	10,392,065	(51.73)	8,641,088	13,421,682
Current tax assets	19	126,720,576	126,608,308	0.09	125,401,944	116,863,352
Other current assets	20	14,709,453	2,846,576	416.74	13,981,405	4,264,376
<b>Total current assets</b>		<b>290,494,901</b>	<b>240,478,659</b>	<b>20.80</b>	<b>279,201,154</b>	<b>285,090,412</b>
<b>Total Assets</b>		<b>1,156,802,117</b>	<b>1,114,177,575</b>	<b>3.83</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>
<b>Equity and Liabilities</b>						
<b>Equity</b>						
Share capital	21	444,990,776	444,990,776	-	444,990,776	444,990,776
Share premium	22	17,780,000	17,780,000	-	17,780,000	17,780,000
Revaluation reserve	23	303,473,535	303,473,535	-	303,473,535	303,473,535
Retained earnings	24	47,823,690	139,490,289	(65.72)	77,564,598	161,389,109
<b>Total equity</b>		<b>814,068,001</b>	<b>905,734,600</b>	<b>(10.12)</b>	<b>843,808,909</b>	<b>927,633,420</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	14.4	108,914,292	70,059,859	55.46	108,914,292	92,186,159
<b>Current liabilities</b>						
Trade and other payables	25	73,649,445	51,262,739	43.67	46,706,252	52,677,285
Provisions		-	-	-	-	13,482,130
Current tax liabilities	14	62,283,771	39,422,036	57.99	61,106,615	17,602,350
Other current tax liabilities	26	66,679,412	46,372,277	43.79	64,184,506	43,663,784
Employees' benefits	27	2,513,181	1,326,063	89.52	2,618,292	2,055,001
Borrowings	28	28,694,015	-	100.00	17,000,000	-
<b>Total current liabilities</b>		<b>233,819,824</b>	<b>138,383,116</b>	<b>68.97</b>	<b>191,615,665</b>	<b>129,480,550</b>
<b>Total liabilities</b>		<b>342,734,116</b>	<b>208,442,975</b>	<b>64.43</b>	<b>300,529,957</b>	<b>221,666,709</b>
<b>Total equity and liabilities</b>		<b>1,156,802,117</b>	<b>1,114,177,575</b>	<b>3.83</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>

These financial statements were approved by the Board of Directors on 28 April, 2021 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 Douglas  
Chief Finance Officer  
FRC No:FRC/2017/ICAN/00000016060

The notes on pages 15 to 32 form part of these financial statements.



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## STATEMENT OF CHANGES IN EQUITY

### FOR THE PERIOD ENDED 31ST MARCH 2021

	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	77,564,598	843,808,909
Profit for the year	-	-	-	(29,740,908)	(29,740,908)
	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>47,823,690</b>	<b>814,068,001</b>
<b>At 31 March</b>	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>47,823,690</b>	<b>814,068,001</b>

### FOR THE PERIOD ENDED 31ST MARCH 2020

	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	161,389,109	927,633,420
Profit for the year	-	-	-	11,319,208	11,319,208
Prior year adjustment				(33,218,028)	(33,218,028)
<b>At 31 March</b>	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>139,490,289</b>	<b>905,734,600</b>

### YEAR ENDED 31 DECEMBER 2020

	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	161,389,109	927,633,420
Loss for the year	-	-	-	(83,824,511)	(83,824,511)
<b>At 31 December</b>	<b>444,990,776</b>	<b>17,780,000</b>	<b>303,473,535</b>	<b>77,564,598</b>	<b>843,808,909</b>



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## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2021

Note	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>Cashflow from Operating Activities</b>					
Cashflows from Operations	62,900,525	118,654,040	(46.99)	227,440,931	706,327,969
Cash Paid to Suppliers	(56,930,988)	(85,133,023)	(33.13)	(131,902,984)	(426,160,819)
Cash Paid to Employees	(10,442,083)	(16,766,425)	(37.72)	(71,515,460)	(72,773,148)
Paid to Government (taxes)	-	-	#DIV/0!	(4,912,309)	(53,551,712)
<b>Total</b>	<b>(4,472,545)</b>	<b>16,754,592</b>	<b>(126.69)</b>	<b>19,110,178</b>	<b>153,842,291</b>
<b>Cashflow from Investment Activities</b>					
Capex	(10,690,552)	(19,856,626)	(46.16)	(36,342,386)	(28,203,883)
Proceeds from sale of property, plant and equipment	-	-	-	1,000,000	-
Interest received	-	72,417	(100.00)	100,844	1,236,417
<b>Total</b>	<b>(10,690,552)</b>	<b>(19,784,209)</b>	<b>(45.96)</b>	<b>(35,241,542)</b>	<b>(26,967,466)</b>
<b>Cashflow from Financing Activities</b>					
Loans obtained	29,500,000	-	-	17,000,000	103,340,360
Repayment of loans	(17,805,985)	-	-	-	(223,340,360)
Unclaimed dividend returned	3,010,622	-	-	-	2,144,398
Dividend paid	-	-	-	-	(44,499,078)
Interest paid	-	-	-	(5,649,230)	(30,153,731)
Proposed Dividend	-	-	-	-	-
<b>Total</b>	<b>14,704,638</b>	<b>-</b>	<b>-</b>	<b>11,350,770</b>	<b>(192,508,411)</b>
<b>Net Cash Flow</b>	<b>(458,459)</b>	<b>(3,029,617)</b>	<b>(84.87)</b>	<b>(4,780,594)</b>	<b>(65,633,586)</b>
Opening Balance	5,475,089	13,421,682	(59.21)	13,421,682	79,055,268
<b>Closing Balance</b>	<b>5,016,630</b>	<b>10,392,065</b>	<b>(51.73)</b>	<b>8,641,088</b>	<b>13,421,682</b>

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	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>6. Revenue from contracts with customer:</b>	<b>54,454,824.74</b>	<b>161,538,723.72</b>	(66.29)	469,379,792	550,218,779
The revenue from contracts with customers is made up of:					
Industrial Cleaning and Decontamination	8,445,171	13,350,936	(36.74)	34,091,612	191,530,969
E-Waste	20,362,994	1,488,000	1,268.48	131,449,030	3,976,500
Incineration	8,247,428	19,494,457	(57.69)	77,405,758	107,552,004
Thermal Desorption Unit	16,857,472	85,131,708	(80.20)	182,837,189	174,737,101
Fixation and Stabilization	541,760	36,517,603	(98.52)	43,596,203	6,895,660
Non Hazardous Waste		5,556,020			65,526,545
	<b>54,454,825</b>	<b>161,538,724</b>	<b>(66.29)</b>	<b>469,379,792</b>	<b>550,218,779</b>
<b>6a. Other income</b>					
Equipment rental	-	289,030	(100.00)	-	1,510,000
Interest received	-	72,417	(100.00)	100,844	1,236,417
Sale of secondary products	-	-	-	5,802,191	-
Sundry income	128,725	-	100.00	86,449	59,638
	<b>128,725</b>	<b>361,446</b>	<b>(64.39)</b>	<b>5,989,484</b>	<b>2,806,055</b>
<b>6b Foreign exchange gains</b>					
This represents exchange difference arising from translation of foreign currency transactions during the year under review.					
Foreign exchange gains	<b>(1,239,827.40)</b>	<b>(248,064)</b>	399.80	<b>5,802,191</b>	<b>27,334,790</b>
<b>7. Cost of sales</b>					
Waste Collection and Haulage	9,067,500	56,734,097	(84.02)	162,535,799	130,721,110
Waste Disposal	985,056	4,309,250	(77.14)	3,353,745	4,590,456
Hiring of equipment	14,162,515	3,252,334	335.46	11,073,451	19,148,768
Diesel and lubricants	1,085,058	243,939	344.81	1,349,474	11,216,472
Repairs and Maintenance	1,944,618	6,741,061	(71.15)	14,981,953	17,798,973
Transport and travelling	605,858	7,600	7,871.82	2,979,946	4,340,137
Consumables	905,813	21,077,090	(95.70)	21,836,597	28,680,185
Depreciation	7,807,258	8,389,407	(6.94)	34,639,551	33,564,025
Direct wages	8,536,938	4,773,055	78.86	24,070,027	11,750,880
Community relations and security	7,243,970	78,000	9,187.14	30,341,980	7,163,884
Compliance	322,500	1,018,145	(68.32)	15,114,981	8,442,699
Other direct costs	3,676,018	3,934,026	(6.56)	2,703,195	8,129,780
	<b>56,343,099</b>	<b>110,558,004</b>	<b>(49.04)</b>	<b>324,980,699</b>	<b>285,547,369</b>
<b>7a. Other direct costs</b>					
Business Development	708,800	3,009,643	(76.45)	-	2,295,635
QHSE	2,206,718	366,722	501.74	-	3,532,125
Permits	760,500	557,661	36.37	-	2,302,020
	<b>3,676,018</b>	<b>3,934,026</b>	<b>(6.56)</b>	<b>-</b>	<b>8,129,780</b>



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	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>9. Depreciation and impairment loss</b>					
Depreciation	1,713,788	1,978,021	(13.36)	8,333,590	7,526,599
<b>10. Administrative expenses</b>					
Directors' Remuneration	2,656,080	3,060,000	(13.20)	11,077,200	12,913,200
AGM and BOD expenses	554,000	25,000	-	4,018,712	5,798,462
Directors' fees and Allowances	-	-	-	2,250,000	2,250,000
Transport and travelling expenses	498,203	1,058,244	(52.92)	2,333,019	4,012,670
Professional fees	918,134	127,151	622.08	7,389,232	5,247,574
Electricity (PHCN)	438,125	514,726	(14.88)	1,592,830	676,837
Fuel and diesel	1,588,660	2,208,488	(28.07)	5,574,919	9,209,331
Licenses/Permits and levies	643,600	367,000	75.37	1,306,468	1,821,925
Occupancy Cost	606,844	1,120,000	100.00	1,600,670	735,500
Donation & Gift	10,000	2,756,830	(99.64)	1,420,000	2,747,650
Repairs and maintenance	691,130	197,147	250.57	5,747,325	1,107,206
Printing and stationery	215,712	1,534,736	(85.94)	788,917	4,122,883
Insurance	861,079	136,700	529.90	3,877,650	928,585
Telephone and Courier Services	87,664	326,150	(73.12)	851,790	840,800
Entertainment	154,650	997,585	(84.50)	601,400	689,500
Internet expenses	405,850	-	100.00	2,304,875	1,064,015
Industrial Training Fund	-	454,936	(100.00)	877,497	2,698,248
Bank charges	272,611	310,000	(12.06)	1,138,407	440,000
Training expenses	900,000	1,515,282	(40.61)	835,000	6,079,505
Local content tax	207,161	523,638	(60.44)	3,664,385	1,378,407
Subscription	128,750	690,050	(81.34)	942,239	2,539,900
Meal expenses	761,700	40,000	1,804.25	3,197,400	150,000
Corporate social responsibility	-	-	-	1,040,000	3,286,338
Balances written off	-	615,450	(100.00)	3,000	-
Leave allowance	1,240,800	567,000	118.84	-	383,847
Advertisement	-	-	-	567,000	40,671
Bad debt written off	-	-	-	-	2,500,000
Auditors' remuneration	800,000	1,000,000	(20.00)	2,000,000	13,089,410
Provision for doubtful debts	-	-	-	5,687,639	-
Terminal Benefit	552,062	-	100.00	-	1,785,755
Office and general expenses	604,776	1,132,400	(46.59)	2,086,071	-
Loss on sale of asset	-	-	-	1,441,250	-
VAT	-	-	100.00	8,107,872	-
WHT	-	-	100.00	1,699,872	-
	<b>15,797,592</b>	<b>21,278,512</b>	<b>(25.76)</b>	<b>86,022,639</b>	<b>88,538,219</b>
<b>11. Other expenses</b>					
Loss on sale of asset	-	-	-	1,441,250	-
Motor vehicle written off	-	-	-	-	-
Realized foreign exchange losses	-	-	-	-	-
	-	-	-	1,441,250	-





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**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.

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
Other financial charges	5,784,995	-	-	4,993,075	5,296,549
Interest on loans	263,375	-	(100)	925,000	24,857,182
	<b>6,048,370</b>	<b>-</b>	<b>(100)</b>	<b>5,918,075</b>	<b>30,153,731</b>

**14. Taxation**

**14a Income tax expense**

Company income tax	8,922,272	14,849,417	(39.91)	4,333,774	12,990,332
Education tax	594,818	2,752,934	(78.39)	999,180	2,752,934
	<b>9,517,091</b>	<b>17,602,351</b>	<b>(45.93)</b>	<b>5,332,954</b>	<b>15,743,266</b>
Prior year under-provision		22,126,301	-	56,080,276	
Deferred tax	-	-	-	16,728,133	37,808,446
	<b>9,517,091</b>	<b>39,728,651</b>	<b>(76.04)</b>	<b>78,141,363</b>	<b>53,551,712</b>

**14b Current tax liabilities**

**Movement in Income tax liabilities**

At 1 January	61,106,615	17,602,350	247.15	17,602,350	20,641,917
Prior year under-provision	-	-	-	56,080,276	-
Payments during the year	-	(4,912,309)	(100.00)	(4,912,309)	(3,665,349)
Tax charge for the year	9,517,091	39,728,651	(76.04)	5,332,954	15,743,266
Withholding tax credit notes applied	(8,339,934)	(12,996,656)	-	(12,996,656)	(15,117,484)
<b>At 31 March</b>	<b>62,283,771</b>	<b>39,422,036</b>	<b>57.99</b>	<b>61,106,615</b>	<b>17,602,350</b>

**14.3 Reconciliation of effective tax rate**

Profit for the year before tax	(29,740,908)	11,319,208	(362.75)	(5,683,147)	95,820,558
Income tax using the company's domestic tax rate of 30%	(8,922,272)	3,395,762	(362.75)	(1,704,944)	28,746,167
Education tax using tax rate of 2%	(594,818)	226,384	(362.75)	(113,663)	1,916,411
Tax effect on expenses not deductible for tax purposes	-	-	-	17,805,483	13,384,360
Tax effect on capital allowances	-	-	-	(9,991,797)	(27,529,336)
Tax effect on tax incentives	-	-	-	(662,125)	(774,336)
Prior year under-provision				56,080,276	
Tax charge in income statement (Income tax and Education tax)	<b>(9,517,091)</b>	<b>3,622,147</b>	<b>(362.75)</b>	<b>61,413,230</b>	<b>15,743,266</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

### 14.4 Deferred tax liabilities

	Q1 2021	Q1 2020	CHANGE	Accelerated tax depreciation	Revaluation surplus
	N	N	%	N	N
At 1 January 2021	108,914,292	70,059,859	55.46	54,377,713	-
Movement in the period	-	-	-	15,682,146	22,126,300
	108,914,292	70,059,859	55.46	70,059,859	22,126,300
	-	-		16,728,133	-
At 31 March 2021	108,914,292	70,059,859	55.46	86,787,992	22,126,300

### 15. Property, Plant and Equipment

#### 15.1 Summary

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

				2020	2019
				N	N
Land	43,600,000	43,826,796	(0.52)	43,600,000	43,600,000
Buildings	166,351,164	162,643,174	2.28	167,187,100	170,073,340
Plant and Machinery	634,276,391	603,440,229	5.11	633,125,255	638,135,241
Furniture and Fittings	2,152,980	(123,674)	(1,840.85)	2,361,230	3,617,574
Office & HSE Equipment	9,926,681	7,355,970	34.95	8,864,127	8,783,562
	856,307,216	817,142,494	4.79	855,137,712	864,209,717



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**15.2A FOR THE PERIOD ENDED 31ST MARCH 2021**

	Land	Buildings	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
		N	N	N	N	N
<b>Deemed Cost</b>						
At 1 January 2021	43,600,000	167,187,100	633,125,255	2,361,230	8,864,127	855,137,712
Addition in the year	-	-	9,171,729	-	1,518,823	10,690,552
At 31st March 2021	<b>43,600,000</b>	<b>167,187,100</b>	<b>642,296,984</b>	<b>2,361,230</b>	<b>10,382,950</b>	<b>865,828,264</b>
<b>Accumulated Depreciation and impairment loss</b>						
At 1 January 2021	-	(7,509,020)	(72,437,102)	(4,017,170)	(6,235,515)	(90,198,807)
Charge for the year	-	(835,936)	(8,020,593)	(208,250)	(456,269)	(9,521,047)
At 31st March 2021	-	<b>(8,344,956)</b>	<b>(80,457,695)</b>	<b>(4,225,420)</b>	<b>(6,691,784)</b>	<b>(99,719,854)</b>
<b>Carrying amount</b>						
At 31st March 2021	<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>
At 31st March 2020	<b>43,826,796</b>	<b>162,643,174</b>	<b>603,440,229</b>	<b>(123,674)</b>	<b>7,355,970</b>	<b>817,142,494</b>



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15.2B FOR THE PERIOD ENDED 31ST MARCH 2020

	Land	Buildings	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
Deemed Cost		N	N	N	N	N
At 1 January 2020	43,600,000	174,098,400	676,191,541	5,633,100	12,171,092	911,694,133
Addition in the year	226,796	352,300	16,760,681	-	2,516,850	19,856,626
At 31st March 2020	<b>43,826,796</b>	<b>174,450,700</b>	<b>692,952,222</b>	<b>5,633,100</b>	<b>14,687,942</b>	<b>931,550,759</b>
<b>Accumulated Depreciation and impairment loss</b>						
At 1 January 2020	-	(4,025,060)	(38,056,300)	(2,015,526)	(3,387,530)	(47,484,416)
Charge for the year	-	(871,166)	(8,389,407)	(469,378)	(637,477)	(10,367,428)
Write-off	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2020	-	<b>(4,896,226)</b>	<b>(46,445,707)</b>	<b>(2,484,904)</b>	<b>(4,025,007)</b>	<b>(57,851,844)</b>
<b>Carrying amount</b>						
At 31st March 2020	<b>43,826,796</b>	<b>169,554,474</b>	<b>646,506,515</b>	<b>3,148,196</b>	<b>10,662,935</b>	<b>873,698,915</b>
At 31st March 2019	<b>43,200,000</b>	<b>164,272,849</b>	<b>591,389,561</b>	<b>1,573,076</b>	<b>4,257,657</b>	<b>804,693,144</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

### 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/2012/000000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated with the surplus of N221,263,007 arising therefrom transferred to revaluation reserve account in the financial statements as at 31st December 2019.

### 15.4 Depreciation

Cost of sales	7,807,258	8,389,407	(6.94)	34,639,551	33,564,025
Administrative	1,713,788	1,978,021	(13.36)	8,333,590	7,526,599
	<b>9,521,046</b>	<b>10,367,428</b>	<b>(8.16)</b>	<b>42,973,141</b>	<b>41,090,624</b>

### 15.5 Security

As at 31 March 2021, there were no assets pledged as security.

### 16. Inventories

Diesel	599,208	999,810	(40.07)	939,126	3,784,544
QHSE Consumables	1,880,834	1,246,915	50.84	980,389	1,423,270
Stationeries	275,605	261,212	5.51	224,092	254,204
Technical/Electrical items	3,734,385	2,995,455	24.67	2,895,340	2,571,100
Other consumables	127,482	29,875	326.72	76,664	30,800
	<b>6,617,514</b>	<b>5,533,267</b>	<b>19.60</b>	<b>5,115,611</b>	<b>8,063,918</b>

The value of inventories recognised as an expense during the period was N0.952 million (2020: N5.158 million).

No inventory was pledged as security during the year.

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



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	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>17. Trade and other receivables</b>					
Trade receivables (note 17.1)	129,942,702	85,609,501	51.79	118,774,639	135,472,885
Staff loans and advances (17.2)	1,172,025	3,181,942	(63.17)	970,466	912,598
Receivable due from related parties (note 17.3)	6,307,001	6,307,001	-	6,307,001	6,091,601
Other Receivable	9,000	-	-	9,000	-
	<b>137,430,728</b>	<b>95,098,444</b>	44.51	<b>126,061,106</b>	<b>142,477,084</b>
<b>17.1 Trade receivables</b>					
Receivables from customers	129,942,702	85,609,501	51.79	144,809,054	155,819,661
Allowance for expected credit losses (note 17.1.1)	-	-	-	(26,034,415)	(20,346,776)
	<b>129,942,702</b>	<b>85,609,501</b>	51.79	<b>118,774,639</b>	<b>135,472,885</b>
<b>Ageing of trade receivables</b>					
Current					-
1 - 30 days past due	34,136,067	31,958,754	6.81	67,031,021	-
31 - 60 days past due	70,960,996	40,832,580	73.79	10,069,574	24,608,735
61 - 90 days past due	8,366,839	-	100.00	-	24,545,817
Over 90 days past due	16,478,800	16,296,421	1.12	67,708,459	106,665,109
	<b>129,942,702</b>	<b>89,087,756</b>	45.86	<b>144,809,054</b>	<b>155,819,661</b>
<b>17.1.1 Movement in allowance for credit losses</b>					
At 1 January	26,034,415	20,346,776	27.95	20,346,776	7,257,366
Allowance for the year	-	-	-	5,687,639	13,089,410
<b>At 31 March</b>	<b>26,034,415</b>	<b>20,346,776</b>	27.95	<b>26,034,415</b>	<b>20,346,776</b>
<b>17.2 Key management personnel and staff loans</b>					
Loan to key management personnel	-	-	-	-	-
Staff loans and advances	1,172,025	3,181,942	(63.17)	973,466	953,269.00
Allowance for expected credit losses	-	-	-	(3,000.00)	(40,671.00)
	<b>1,172,025</b>	<b>3,181,942</b>	<b>(63.17)</b>	<b>970,466</b>	<b>912,598</b>

**17.3 Receivable due from related parties**  
**a. Relationship with Subsidiary Transactions**

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).



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When fully established the Company will be a subsidiary of The Initiates Plc.

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
Due from The Initiates Uganda Limited - Pre-Incorporation expenses	6,307,001	6,307,001	-	6,307,001	6,091,601

### b. Relationship with key management Personnel

Key management personnel include the Directors and the management staff of the Company

### 18. Cash and cash equivalents

Cash and cash equivalents represent cash in hand and at bank as at end of period.

				2020 N	2019 N
Cash in hand	243,076	299,690	(18.89)	22,584	127,415
Cash at bank	1,504,710	7,092,374	(78.78)	5,349,659	10,294,267
	1,747,785	7,392,065	(76.36)	5,372,243	10,421,682
Short Term Investment (note 18.1)	3,268,845	3,000,000	8.96	3,268,845	3,000,000
	<b>5,016,630</b>	<b>10,392,065</b>	(51.73)	8,641,088	13,421,682

### 18.1 Short Term Investment

This represents short term investment in APEL INVESTMENT TRUST for a tenor of 182 days with the interest rate of 5% per annum.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

### 19. Current tax assets

These represent withholding tax receivable as at year end of period.

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
At 1 January	125,401,944	97,218,003	28.99	116,863,352	97,218,003
Withholding tax in the period	1,318,632	29,390,305	(95.51)	21,535,248	34,762,833
Withholding tax utilised during the period	-	-	-	(12,996,656)	(15,117,484)
<b>At 31 March</b>	<b>126,720,576</b>	<b>126,608,308</b>	0.09	125,401,944	<b>116,863,352</b>

### 20. Other current assets

Prepaid expenses	<b>14,709,453</b>	<b>2,846,576</b>	416.74	13,981,405	<b>4,264,376</b>
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### 21. Share capital

Authorised: (note 23.1)

900,000,000 ordinary shares of N0.50 each	450,000,000	450,000,000	-	450,000,000	<b>450,000,000</b>
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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	<b>444,990,776</b>
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#### 21.1 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.

#### 21.2 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.





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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>22. Share premium</b>					
At 1 January	17,780,000	17,780,000	-	17,780,000	17,780,000
<b>At 31 March</b>	<b>17,780,000</b>	<b>17,780,000</b>	-	<b>17,780,000</b>	<b>17,780,000</b>

### **23. 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/2012/000000000254) 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.

				2020 N	2019 N
At 1 January	303,473,535	303,473,535	-	303,473,535	82,210,528
Revaluation surplus	-	-	-	-	221,263,007
<b>At 31 March</b>	<b>303,473,535</b>	<b>303,473,535</b>	-	<b>303,473,535</b>	<b>303,473,535</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

	Q1 2021	Q1 2020	CHANGE	2020	2019
	N	N	%	N	N
<b>24. Retained earnings</b>					
At 1 January	77,564,598	161,389,109	(51.94)	161,389,109	163,619,341
Dividend paid	-	-		-	(44,499,078)
Prior year adjustment	-	(33,218,028)	(100.00)	-	-
Profit for the year	(29,740,908)	11,319,208	(362.75)	(83,824,511)	42,268,846
	<b>47,823,690</b>	<b>139,490,289</b>	<b>(65.72)</b>	<b>77,564,598</b>	<b>161,389,109</b>
At 31 March	<b>47,823,690</b>	<b>139,490,289</b>	<b>(65.72)</b>	<b>77,564,598</b>	<b>161,389,109</b>
<b>25. Trade and other payables</b>					
Trade payables	49,817,582	45,198,826	10.22	28,954,232	34,092,049
Dividend payable	6,614,353	3,603,731	83.54	3,872,576	3,603,731
Other payables	-	-	-	36,889	339,049
Accruals	17,217,510	2,460,182	599.85	13,842,555	14,642,456
	<b>73,649,445</b>	<b>51,262,739</b>	<b>43.67</b>	<b>46,706,252</b>	<b>52,677,285</b>



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	Q1 2021	Q1 2020	CHANGE	2020	2019
	N	N	%	N	N
<b>25.1 Dividend payable</b>					
At 1 January	3,603,731	3,603,731	-	3,603,731	1,459,333
Unclaimed dividends	3,010,622	-	100.00	-	2,144,398
Prior Year Dividends approved during the year	-	-		-	44,499,078
Payments made during the year	-	-		-	(44,499,078)
<b>At 31 March</b>	<b>6,614,353</b>	<b>3,603,731</b>	<b>83.54</b>	<b>3,603,731</b>	<b>3,603,731</b>
<b>26. Other current tax liabilities</b>					
Pay As You Earn	1,072,340	503,533	112.96	126,585	971,713
Withholding tax payable	19,185,223	15,558,276	23.31	18,925,110	12,242,787
Local Content Tax Liability	1,087,271	1,228,388	(11.49)	16,243,372	11,756,403
Value Added Tax - Suppliers	16,443,468	7,014,591	134.42	1,112,586	-
Value Added Tax - Customers	28,891,109	22,067,489	30.92	27,776,853	18,692,881
<b>At 31 March</b>	<b>66,679,412</b>	<b>46,372,277</b>	<b>43.79</b>	<b>64,184,506</b>	<b>43,663,784</b>
Accrued Auditors Fees	2,800,000	1,300,000	115.38	2,000,000.00	-
Accrued Professional Fees	1,200,000	79,436	1,410.65	1,200,000.00	-
Accrued Contract Staff Wages	440,000	-	100.00	1,200,000.00	-
Accrued Directors' Emolument	538,490		100.00		
Accrued Directors' Fees	2,315,000	65,000	3,461.54	2,315,000.00	-
Accrued Interest on Loan	-		100.00	925,000.00	-
Performance Bonus	1,009,937	1,009,937	-	1,009,937.22	-
Accrued Staff Salary	3,727,272	5,809	64,067.18	5,808.69	-
Accrued Security & Com Expense	5,186,810	-	100.00	5,186,809.77	-
<b>At 31 March</b>	<b>17,217,510</b>	<b>2,460,182</b>	<b>599.85</b>	<b>13,842,555.68</b>	<b>-</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
27. Employees' benefits					
Defined contribution plans (note 27.1)	2,513,181	1,326,063	-	2,618,292	2,055,001

### 27.1 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.

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
At 1 January	2,055,001	2,055,001	-	2,055,001	118,248
Provision for the year	2,513,181	1,326,063	-	9,408,086	10,807,610
Payments made during the period	(2,055,001)	(2,055,001)	-	(8,844,795)	(8,870,857)
<b>At 31 March</b>	<b>2,513,181</b>	<b>1,326,063</b>	<b>-</b>	<b>2,618,292</b>	<b>2,055,001</b>

### 28. Borrowings

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
Guaranty Trust Bank Plc (note 28.3)	5,000,000	-	100.00	17,000,000	24,500,000
IDF	24,500,000	-	100.00	-	-
	<b>29,500,000</b>	<b>-</b>	<b>100.00</b>	<b>17,000,000</b>	<b>24,500,000</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
<b>28.1 Invoice Discounting Facility from GTB Plc</b>					
At 1 January	-	-	-	-	-
Invoice Discounting Facility in the period	24,500,000	-	(1.00)	-	75,840,360
Repayments in the period	-	-	(1.00)	-	(75,840,360)
<b>At 31 March</b>	<b>24,500,000</b>	-		-	-
<b>28.2 Loans from Other Sources</b>					
At 1 January	17,000,000	-	-	-	-
Loan in the year	-	25,000,000	(100.00)	17,000,000.00	25,000,000
Repayments in the year	(17,000,000)	(25,000,000)	(100.00)	-	(25,000,000)
<b>At 31 March</b>	-	-	-	17,000,000.00	-
<b>28.3 Short Term Facility from GTB Plc</b>					
At 1 January	-	-	-	-	-
Short term Facility in the period from GTB	5,000,000	-	100	-	75,840,360
Repayments in the Period	(805,985)	-	100	-	(75,840,360)
<b>At 31 March</b>	<b>4,194,015</b>	-	<b>100</b>	-	-



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 2021**

**29. Information regarding directors and employees**

**29.1. Directors**

Directors' emoluments comprises:

Fees

Others - salaries and allowances

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
Fees	-	-	-	2,250,000	2,250,000
Others - salaries and allowances	-	-	-	15,095,912	18,711,662
	-	-	-	<b>17,345,912</b>	<b>20,961,662</b>
Highest paid Director (Managing Director) - emolument	<b>2,656,080</b>	<b>3,060,000</b>	(13.20)	<b>11,077,200</b>	<b>12,913,200</b>
Other directors with emoluments	<b>Number Nil</b>	<b>Number Nil</b>	<b>Number Nil</b>	<b>Nil</b>	<b>Number Nil</b>

Highest paid Director (Managing Director) - emolument

Other directors with emoluments

The number of directors with gross emoluments within the band stated were:

Below N3,000,000

N3,000,001 - N7,000,000

N7,000,001 and above

	Number	Number		Number	Number
Below N3,000,000	-	-	-	-	-
N3,000,001 - N7,000,000	-	-	-	-	-
N7,000,001 and above	1	1	-	1	1
	<b>1</b>	<b>1</b>	-	<b>1</b>	<b>1</b>

**29.2 Employees**

Average numbers of persons employed during the period:

Management

Senior Staff

Junior Staff

				Number	Number
Management	10	10	-	11	10
Senior Staff	11	10	0.10	12	13
Junior Staff	28	28	-	26	28
	<b>49</b>	<b>48</b>		<b>49</b>	<b>51</b>

**Aggregate payroll costs**

Salaries and allowances

				N	N
Salaries and allowances	10,442,083	16,766,425	(37.72)	71,515,460	<b>72,773,148</b>

The number of employees in Nigeria with gross emoluments within the bands stated were:

N100,000

N500,001

N1,000,001

N1,500,001

				Number	Number
N100,000	3	15	(0.80)	3	15
N500,001	18	12	0.50	19	14
N1,000,001	13	9	0.44	13	9
N1,500,001	14	12	0.17	14	13
	<b>48</b>	<b>48</b>	-	<b>49</b>	<b>51</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

### 30. Guarantees and other financial commitments

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

### 31. 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.

### 32. Contingent liabilities

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

### 33. Capital commitments

There were no capital commitments at 31 March 2021

### 34. 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.

### 35. Earnings per Share

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

	Q1 2021 N	Q1 2020 N	CHANGE %	2020 N	2019 N
Profit attributable to ordinary shareholders (in naira)	(29,740,908)	11,319,208	(362.75)	(5,683,147)	42,268,846
Number of ordinary shares issued and fully paid for basic earnings per share (in	889,981,552	889,981,552	-	889,981,552	889,981,552
Basic earnings per 50 kobo share	(3.34)	1.27	(362.75)	(0.01)	4.75



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## **NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2021**

### **37. 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 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.





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**THE INITIATES PLC**

## **OTHER NATIONAL DISCLOSURES**



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**STATEMENT OF VALUE ADDED  
FOR THE PERIOD ENDED 31ST MARCH 2021**

	Q1 2021		Q1 2020		CHANGE	2020		2019		
	N	%	N	%	%	N	%	N	%	
Revenue from contracts with customers	54,454,825		161,538,724		(66.29)	469,379,792		550,218,779		
Other income	128,725		361,446			5,989,484		30,140,845		
	<b>54,583,550</b>		<b>161,900,170</b>		<b>(66.29)</b>	<b>475,369,276</b>		<b>580,359,624</b>		
Less: Bought in materials and services										
Imported	4,521,614		9,266,958.00			2,961,971		53,514,815		
Local	50,322,624		110,558,004		(54.48)	363,601,851		317,160,479		
Value added	<b>(260,689)</b>	<b>100%</b>	<b>42,075,208</b>	<b>100%</b>	<b>(100.62)</b>	<b>108,805,454</b>	<b>100%</b>	<b>209,684,330</b>	<b>100</b>	
<b>Applied as follows:</b>										
To pay employees' salaries wages and other benefits	10,442,083	(4,006)	16,766,425	40	(37.72)	71,515,460	66	72,773,148	35	
To pay Government taxation	9,517,091	(3,651)	3,622,147	9		61,413,230	56	15,743,266	7	
To provide for enhancement of assets and expansion:										
- deferred tax	-		-			16,728,134	15	37,808,446	18	
- depreciation of fixed assets	9,521,046	(3,652)	10,367,428	25	(8.16)	42,973,141	39	41,090,624	20	
- retained in the business	(29,740,908)	11,409	11,319,208	27	(362.75)	(83,824,511)	(77)	42,268,846	20	
	<b>(260,689)</b>	<b>100</b>	<b>42,075,208</b>	<b>100</b>	<b>(100.62)</b>	<b>108,805,454</b>	<b>100</b>	<b>209,684,330</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.



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**FIVE YEARS FINANCIAL SUMMARY**

	← 2020 N	2019 N	31 December 2018 N	2017 N	→ 2016 N
<b>Statement of Financial Position</b>					
<b>Assets employed</b>					
Non-current Assets	855,137,712	864,209,717	655,833,451	678,098,211	587,311,661
Other non-current assets	10,000,000	-	-	-	-
Current Assets	279,201,154	285,090,412	473,650,809	465,676,462	271,955,506
<b>Total Assets</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>	<b>1,129,484,260</b>	<b>1,143,774,673</b>	<b>859,267,167</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	82,210,528	83,410,528	83,410,528
Retained earnings	77,564,598	161,389,109	163,619,341	169,621,532	152,938,913
	843,808,909	927,633,420	708,600,645	715,802,836	699,120,217
<b>Liabilities</b>					
Non-current liabilities	108,914,292	92,186,159	54,377,713	29,276,182	46,533,814
Current liabilities	191,615,665	129,480,550	366,505,902	398,695,655	113,613,136
<b>Total liabilities and equity</b>	<b>1,144,338,866</b>	<b>1,149,300,129</b>	<b>1,129,484,260</b>	<b>1,143,774,673</b>	<b>859,267,167</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue	469,379,791	550,218,779	700,798,753	664,901,943	648,144,614
(Loss)/profit before taxation	(5,683,148)	95,820,558	134,864,469	56,962,054	200,675,727
Income tax expense	(78,141,363)	(53,551,712)	(43,884,152)	8,511,955	(65,052,877)
(Loss)/profit after taxation	<b>(83,824,511)</b>	<b>42,268,846</b>	<b>90,980,317</b>	<b>65,474,009</b>	<b>135,622,850</b>
<b>Other Comprehensive income</b>					
Revaluation surplus on property, plant and equipment		221,263,007	-	-	-
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>221,263,007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(83,824,511)</b>	<b>263,531,853</b>	<b>90,980,317</b>	<b>65,474,009</b>	<b>135,622,850</b>
(Loss)/basic earnings per share (kobo)	(9)	5	62	9	16
Net assets per share (kobo)	95	104	80	80	79

(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.