

2022

THE INITIATES PLC AUDITED ACCOUNT FOR PERIOD ENDED 30TH JUNE 2022



TIP Commercial

THE INITIATES PLC.

7/20/2022



DOCUMENT TITLE: 2022 SECOND QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-COM-MNG -0026

REV NO.: 00

Unit/Dept: COMMERCIAL AND FINANCE

Site/Location:

TIP BASE

Completed By: TANEH ROSEMARY

Position: CHIEF FINANCIAL OFFICER

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of **The Initiates Plc** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company and the results of its operations, cash flows and changes in equity for the second quarter ended 30th June 2022, 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 29th of July, 2022.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....
Mr. Joe Ogbonna Anosikeh
Chairman

FRC No:FRC/2014/NIS/00000008836

.....
Mr. Reuben Mustapha Ossai
Managing Director

FRC No:FRC/2014/NIAECHI/00000009687



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**CERTIFICATE OF COMPLIANCE OF THE INITIATES PLC PURSUANT TO
SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT, 2007 FOR THE
SECOND QUARTER ENDED 30TH JUNE 2022**

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//0000001606



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SECURITIES TRADING POLICY

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

Olaide Odejebi

Company Secretary

FRC/2017/NBA/00000016739



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THE INITIATES PLC

SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS AS AT THE PERIOD ENDED 30TH JUNE 2022

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: DECEMBER REPORTING PERIOD
HALF YEAR: 30TH JUNE 2022
SHARE PRICE AT END OF REPORTING PERIOD: N0.40 (2021: N0.47)

DESCRIPTION	2022		2021	
	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	73,546,061	8.17	65,453,152	7.27
OBOH-OZHEREBE GORDON	58,568,412	6.51	58,568,412	6.51
Total Substantial Shareholdings	645,638,532	71.74	637,545,623	70.84
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
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	37,550,000	4.17
OBOH CHARLES AROAWODE	1,000,000	0.11	1,000,000	0.11
Total Directors' Shareholdings	59,972,557	6.66	57,972,557	6.44
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
Total of Other Influential Shareholdings	5,432,282	0.60	5,432,282	0.60
Free Float in Unit and Percentage	188,956,629	21.00	199,049,538	22.12
Free Float in Value	N75,582,651.60		N93,553,282.86	

(A) THE INITIATES Plc with a free float percentage of 21% as at 30th June 2022, 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 N93,553,282.86 as at 30th June 2021 is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.



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AUDIT COMMITTEE REPORT OF THE INITIATES PLC

In compliance with Section 359(6) of the Companies and Allied Matters Act CAP.C20, LFN 2004, and Section 60(2) of the Investment and Securities Act 2007, we have reviewed the Management account for the second quarter ended 30th June 2022 and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the second quarter ended 30th June 2022; this was in our opinion adequate.
2. We also reviewed the Internal Auditors report for the period as well as the Management's response thereon.
3. We ascertained that the accounting and reporting policies of the Company for second quarter ended 30th June 2022 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the accounting entries, policies and bases of this Management account for the second quarter ended 30th June 2022 was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 28th July, 2022.

NWANMA UGOCHUKWU CHRISTIAN

Chairman

FRC/2017/ ICAN/00000016424

Members of the Committee:

Mr. Christian Ugochukwu Nwanma - Chairman/Shareholder Representative

Sir Enoch Iwueze- Shareholder Representative

Prof. Edward Alikor - Non-Executive Director

Mr. Joseph Ebinum - Non-Executive Director



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EXECUTIVE SUMMARY:

1.1 FIRST QUARTER (JANUARY – MARCH 2022)

1. INTRODUCTION

Q2

TIP reported a total revenue of NGN282.37M (2021: N65.78M) which represent over 300% increase over same period in 2021. A gross Profit of N90.69 Million naira was reported for the quarter as against N20.84 Million showing a remarkable performance with a Net Profit before tax of N43 Million naira as against the loss of N30 million reported in Q2 2021.

HALF YEAR 2022 REPORT

TIP posted a total revenue of NGN498.77M (2021: N12.23M) which represent over 300% increase as at half year in 2021. A gross Profit of N208.78 Million naira was reported for the period showing an outstanding performance in comparison to half year in (2021 N24.15 Million). A Net Profit before tax of N112.59 Million naira as against the loss of N61 million reported as at June 30th 2021. Notwithstanding the high inflation, exchange rate, and cost of sales especially diesel TIP deserves a very high commendation for this performance.

BALANCE SHEET

TIP Balance Sheet value shows a total asset of over NGN2 Billion as 30th June, 2022

1. Trade Receivables: This stood at NGN447.17M as 30 June, 2022 and NGN103.75m receivable is above 90 days.

2. Trade Payable: NGN170.615m is the Account Payable balance as at the close of business (COB) on the 30 June, 2022



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3. Measurement of Liquidity:

TIP liquidity is gradually recovering from the liquidity challenges it was plugged into as a result of 2018 NGN35 Million dividend paid in 2019 out of capital reserve that was not backed up with liquid fund for the second quarter running at 30 June, 2022 on the books with Cash and Cash Equivalent of NGN394.013m. The Company is still highly geared with Gearing Ratio conservatively standing at 1:1.2 as at 30 June, 2022 mainly due existing loan facility.

The Management and Board are happy that their persevering effort is yielding good result and assures all stakeholders that they will work even harder to sustain this result going forward.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2022.

STATEMENT OF COMPREHENSIVE INCOME						
FOR THE PERIOD ENDED 30TH JUNE				SIX MONTHS ENDED JUNE 30TH		
	ACTUAL	HISTORICAL	CHANGE	ACTUAL	HISTORICAL	
	Q2 2022	Q2 2021	%	YTD 2022	YTD 2021	CHANGE
	N'Mn	N'Mn		N'Mn	N'Mn	%
Revenue	282.37	65.78	329.28	498.77	120.23	314.84
Direct cost	191.67	44.90	326.86	289.99	96.07	201.85
Gross Profit	90.69	20.87	334.48	208.78	24.16	764.14
Other Income	3.42	0.05	7,059.85	3.42	0.18	1,835.81
Total Indirect Cost	40.09	47.83	(16.18)	78.51	75.87	3.48
Financial Cost	(10.74)	3.61	100.00	(21.09)	(9.66)	100.00
Profit Before Tax	64.76	(30.52)	(312.22)	154.78	(41.88)	(469.62)
Provision of Income Tax Expense	13.85	-	-	36.03	-	-
Profit for the period	29.44	(30.52)	(196.46)	76.56	(61.20)	(225.11)
				-		

STATEMENT OF FINANCIAL POSITION			
AS AT 30TH JUNE			
	YTD 2022	YTD 2021	CHANGE
ASSETS	N'Mn	N'Mn	%
Non-Current Assets			
Property, plant and Equipment	1,014.07	853.74	18.78
Other non-current assets	29.05	10.00	190.49
Total Non-Current Assets	1,043.12	863.74	20.77
Current Assets			
Inventories	11.41	8.22	38.83
Trade receivables	447.17	20.13	2,121.41
Cash and cash equivalents	392.99	17.59	2,134.04
Current tax assets	85.50	133.81	(36.11)
Other current tax assets	80.21	1.85	4,236.03
Total current Asset	1,017.27	181.60	460.17
Total Assets	2,060.40	1,035.34	99.01
Non-Current Liabilities			
Deferred tax	123.08	108.91	13.01
Current Liabilities			
Trade and Other payables	258.42	41.34	525.10
Current tax liabilities	36.03	46.01	(21.69)
Other current tax liabilities	91.31	64.43	41.72
Employees' benefits	3.41	1.90	79.84
Short term borrowings	705.00	-	100.00
Total current liabilities	1,094.18	153.68	611.97
Total Liabilities	1,217.26	262.60	363.55
Working Capital	(199.99)	(81.00)	146.91
Net Asset	843.13	782.74	7.72



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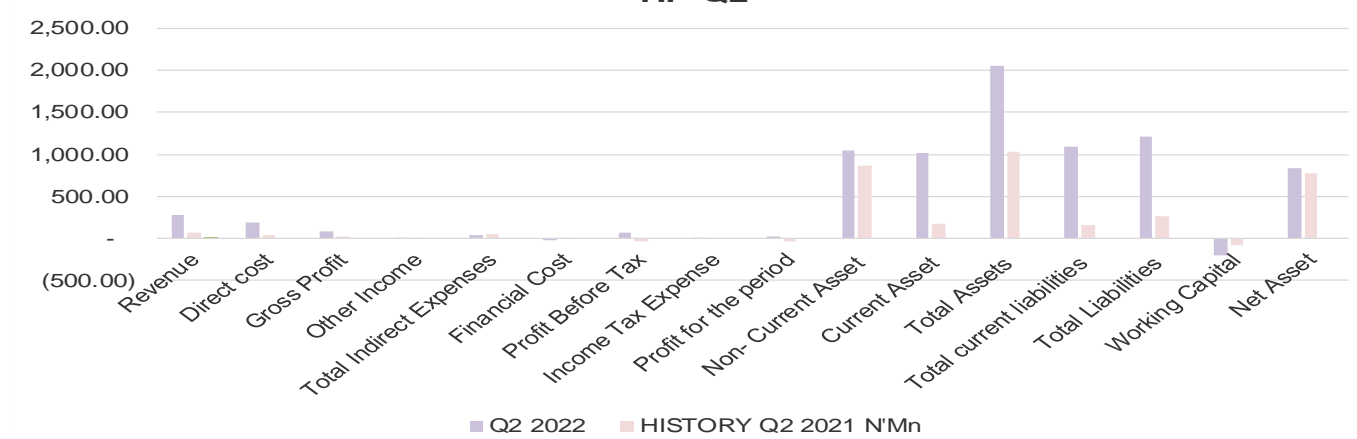
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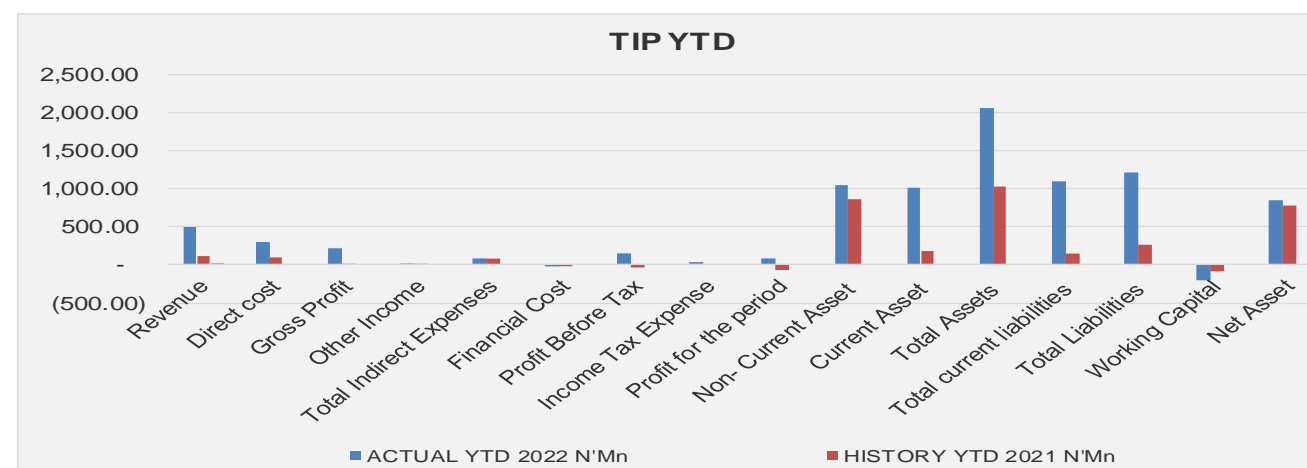
KEY RATIOS

	THREE MONTHS ENDED 30TH JUNE		SIX MONTHS ENDED JUNE 30TH	
	Q2 2022	Q2 2021	YTD 2022	YTD 2022 BUDGET
Earnings per shares:	(0.03) Kobo	(0.03) Kobo	0.09 Kobo	0.01Kobo
Gross Profit Margin	32.12%	31.73%	41.86%	40.00%
Net Profit Margin:	10.42%	-46.39%	15.35%	4.08%
Net Asset Per Shares	0.95Kobo	0.88 Kobo	0.95 kobo	1.00 Kobo
Return on Capital Employed:	3.05%	-3.42%	7.92%	1.17%
Current Ratios:	0.93 x	1.18x	0.93 x	0.23x
Net Working Capital:	(0.27) x	0.42x	(0.15)x	(2.01)x
Fixed Asset Turnover:	0.28 x	0.08x	0.49x	0.18x
Acid Test	0.69 x	0.14x	0.69x	0.10x
Return On Assets	0.14X	0.06 x	0.24 x	0.16x
Price Earning per Share	15.12%	-14.58%	5.81 x	37.78 x
Gearing	144.37%	33.55%	144.37%	95.94%

TIP Q2



Graphical representation of TIP's SECOND QUARTER 2022 performance



Graphical representation of TIP's HALF YEAR 2022 performance



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THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH JUNE 2022

		ACTUAL	HISTORICAL		ACTUAL	HISTORICAL			
		Q2 2022	Q2 2021	CHANGE	YTD 2022	YTD 2021	CHANGE	2021	2020
		N	N	%	N	N	%	N	N
Continuing Operations	Notes								
Revenue from contracts with customers	6	282,369,429	65,777,798	329.28	498,773,939	120,232,622	314.84	333,899,008	448,013,531
Cost of sales	7	191,674,560	44,903,398	326.86	289,992,623	96,072,104	201.85	271,865,809	324,980,699
Gross profit		90,694,869	20,874,399	334.48	208,781,316	24,160,518	764.14	62,033,199	123,032,832
Other income	6a	3,415,250	47,700	7,059.85	3,415,250	176,425	1,835.81	23,144,205	21,553,553
Staff costs	8	14,157,371	10,968,945	29.07	26,107,473	21,458,277	21.67	47,474,410	53,542,670
Depreciation and impairment loss	9	2,230,116	1,780,862	25.23	4,316,454	3,494,650	23.52	8,622,343	8,333,590
Administrative expenses	10	23,698,780	35,075,485	(32.43)	48,085,699	50,919,642	(5.57)	66,225,679	88,277,389
Total Indirect Cost		40,086,267	47,825,292	(16.18)	78,509,626	75,872,570	3.48	122,322,432	150,153,649
Results from operating activities		54,023,852	26,903,193	(300.81)	133,686,940	(51,535,627)	(359.41)	(37,145,028)	(5,567,264)
Finance cost	13	10,735,961	3,612,220	100.00	21,092,126	9,660,590	100.00	29,276,823	5,918,075
Profit before tax		43,287,891	(30,515,412)	(241.86)	112,594,814	(61,196,217)	(283.99)	(66,421,851)	(11,485,339)
Provision for Income tax expense	14.1	13,852,125	-	-	36,030,341	-	-	(15,004,809)	(78,141,363)
Profit for the Period		29,435,766	(30,515,412)	(196.46)	76,564,474	(61,196,217)	(225.11)	(81,426,660)	(89,626,702)
Other Comprehensive income									
Foreign currency translation difference	6b	(72,618,000)	186,304	-	(57,062,860)	125,173	-	4,185,362	5,802,191
Revaluation surplus on property, plant and equipment	23.3	-	-	-	-	-	-	-	-
Other comprehensive income for the year		(72,618,000)	186,304	-	(57,062,860)	125,173	-	4,185,362	5,802,191
Total comprehensive income for the year		(43,182,234)	(30,329,108)	42.38	19,501,614	(61,071,044)	(131.93)	(77,241,298)	(83,824,511)
Basic earnings per share (kobo)	37	0.03	(0.03)	(196.46)	0.09	(0.07)	(225.11)	(0.09)	(0.10)

The notes on pages 16 to 27 form part of these financial statements.



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THE INITIATES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

		ACTUAL	HISTORICAL			
		YTD 2022	YTD 2021	CHANGE	2021	2020
	Note	N	N	%	N	N
Assets						
Non-current assets						
Property, plant and equipment	15	1,014,074,465	853,736,526	18.78	833,863,484	855,137,712
Other non-current assets		29,048,667	10,000,000	190.49	29,048,667	10,000,000
Current assets						
Inventories	16	11,410,902	8,219,142	38.83	6,421,555	5,115,611
Trade and other receivables	17	447,170,951	20,130,064	2,121.41	165,410,024	126,061,106
Cash and cash equivalents	18	392,986,490	17,590,880	2,134.04	658,175,730	8,641,088
Current tax assets	19	85,495,855	133,809,373	(36.11)	78,079,975	125,401,944
Other current assets	20	80,208,430	1,849,814	4,236.03	23,450,252	13,981,405
Total current assets		1,017,272,628	181,599,273	460.17	931,537,536	279,201,154
Total Assets		2,060,395,759	1,045,335,799	97.10	1,794,449,687	1,144,338,866
Equity and Liabilities						
Equity						
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	76,887,774	16,493,554	366.17	323,300	77,564,598
Total equity		843,132,085	782,737,865	7.72	766,567,611	843,808,909
Non-current liabilities						
Deferred tax liabilities	14.4	123,084,353	108,914,292	13.01	123,084,353	108,914,292
Current liabilities						
Trade and other payables	25	258,421,848	41,340,818	525.10	122,172,083	46,706,252
Current tax liabilities	14	36,030,341	46,010,469	(21.69)	834,428	61,106,615
Other current tax liabilities	27	91,313,818	64,434,387	41.72	80,864,267	64,184,506
Employees' benefits	28	3,413,316	1,897,968	79.84	926,945	2,618,292
Borrowings	29	705,000,000	-	100.00	700,000,000	17,000,000
Total current liabilities		1,094,179,322	153,683,642	611.97	904,797,723	191,615,665
Total liabilities		1,217,263,675	262,597,934	363.55	1,027,882,076	300,529,957
Total equity and liabilities		2,060,395,759	1,045,335,799	97.10	1,794,449,687	1,144,338,866

These financial statements were approved by the Board of Directors on 29th July, 2022 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/NIAECH/00000009687

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

The notes on pages 16 to 27 form part of these financial statements.



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THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30TH JUNE 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
Loss for the period	-	-	-	76,564,473.59	76,564,474
At 30th June	444,990,776	17,780,000	303,473,535	76,887,774	843,132,085

FOR THE PERIOD ENDED 30TH JUNE 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
Prior year adjustments					
Dividend paid					
Profit for the year	-	-	-	(77,241,298)	(61,071,044)
At 30th June	444,990,776	17,780,000	303,473,535	323,300	782,737,865

YEAR ENDED 31 DECEMBER 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
Loss for the year	-	-	-	(77,241,298)	(77,241,298)
	444,990,776	17,780,000	303,473,535	323,300	766,567,611



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THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

	ACTUAL Q2 2022 N	HISTORICAL Q2 2021 N	CHANGE %	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
Cashflows from Operations	126,442,471	124,318,473	1.71	245,197,719	189,500,145	29.39	278,465,884	239,118,994
Cash Paid to Suppliers	(197,412,148)	(64,891,685)	204.22	(257,662,289)	(114,061,300)	125.90	(208,377,208)	(141,902,714)
Cash Paid to Employees	(14,157,371)	(10,968,945)	29.07	(37,508,839)	(21,458,277)	74.80	(53,542,670)	(72,773,148)
Finance Cost	(10,735,961)	(3,612,220)	197.21	(21,092,126)	(9,660,590)	118.33	(999,500.00)	(5,332,954)
Paid to Government (taxes)	-	-	(100.00)	-	-	-	-	-
Total	(95,863,009)	44,845,623	(313.76)	(71,065,535)	44,319,977	(260.35)	15,546,506	19,110,178
Cashflow from Investment Activities								
Capex	(202,678,955)	(6,587,980)	2,976.50	(202,678,955)	(17,806,572)	1,038.23	(22,986,719)	(36,342,386)
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-	-	1,000,000
Debt recovery	3,415,250	-	100.00	3,415,250	47,700	7,059.85	-	100,844
Total	(199,263,705)	(6,587,980)	2,924.66	(199,263,705)	(17,758,872)	1,022.05	(22,986,719)	(35,241,542)
Cashflow from Financing Activities								
Loans obtained	5,000,000	-	100.00	5,000,000	29,500,000	(83.05)	729,500,000	17,000,000
Repayment of loans	-	(28,694,015)	(100.00)	-	(46,500,000)	(100.00)	(46,500,000)	-
Unclaimed dividend returned	-	3,010,622	(100.00)	-	3,010,622	(100.00)	3,010,623	-
Dividend paid	-	-	-	-	-	-	241,055	268,845
Total	5,000,000	(25,683,393)	(119.47)	5,000,000	(13,989,378)	(135.74)	(29,276,823)	(5,918,075)
							656,974,855	11,350,770
Net Cash Flow	(290,126,714)	12,574,250	(2,407.31)	(265,329,240)	12,571,727	(2,210.52)	649,534,642	(4,780,594)
Opening Balance	682,973,204	5,016,630	13,514.18	658,175,730	5,019,153	13,013.28	8,641,088	13,421,682
Closing Balance	392,846,490	17,590,880	2,133.24	392,846,490	17,590,880	2,133.24	658,175,730	8,641,088



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	ACTUAL Q2 2022 N	HISTORICAL Q2 2021 N	CHANGE %	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
6. Revenue from contracts with customers	282,369,429	65,777,798	329.28	498,773,939	120,232,622	314.84	333,899,008	448,013,531
The revenue from contracts with customers is made up of:								
Industrial cleaning services	106,015,879	238,688	44,316.18	232,148,421	8,683,858	2,573.33	136,458,363	34,091,612
Waste management services	176,353,551	65,539,110	169.08	266,625,518	111,548,764	139.02	197,440,645	413,921,919
	282,369,429	65,777,798	329.28	498,773,939	120,232,622	314.84	333,899,008	448,013,531
6a. Waste management services:								
E-Waste	12,977,738	10,856,620	19.54	34,338,288	31,219,614	9.99	62,302,946	116,318,930
Incinerator	32,025,126	6,368,490	402.87	51,953,931	10,383,513	400.35	76,419,104	121,001,961
TDU	131,350,687	48,314,000	171.87	180,333,299	69,945,637	157.82	58,718,595	176,601,028
	176,353,551	65,539,110	169.08	266,625,518	111,548,764	139.02	197,440,645	413,921,919
6b.								
Sale of secondary product (note 8.1)	-	-	-	-	-	-	21,211,250	21,366,260
Interest received	-	47,700	(100.00)	-	47,700	-	-	100,844
Debt recovery	3,415,250	-	100.00	3,415,250	-	-	1,710,000	-
Sundry income	-	-	-	-	128,725	(100.00)	222,955	86,449
	3,415,250	47,700	7,059.85	3,415,250	176,425	1,835.81	23,144,205	21,553,553



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	ACTUAL Q2 2022 N	HISTORICAL Q2 2021 N	CHANGE %	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
9. Depreciation and impairment loss								
Depreciation	2,230,116	1,780,862	25.23	4,316,454	3,494,650	23.52	8,622,343	8,333,590
10. Administrative expenses								
Advertisement	-	-	-	421,826	-	100.00	-	567,000
BOD/ AGM allowances and expenses	800,000	-	100.00	2,290,000	-	100.00	3,916,513	4,018,712
Directors' Remuneration	3,320,100	2,656,080	25.00	6,120,000	5,312,160	15.21	11,297,520	11,077,200
Bank charges	808,217	319,807	152.72	1,645,478	592,419	177.76	1,212,945	1,138,407
Donation & Gift	250,000	350,000	100.00	250,000	360,000	(30.56)	560,000	1,420,000
Directors' fees	562,500	2,608,513	(78.44)	1,125,000	3,162,513	(64.43)	2,250,000	2,250,000
Entertainment	89,700	71,350	25.72	159,700	226,000	(29.34)	369,600	601,400
Fuel and diesel	5,772,720	864,590	-	7,552,840	2,453,250	207.87	4,964,936	5,574,919
Meal expenses	999,510	801,050	-	1,828,710	1,562,750	17.02	3,176,790	3,197,400
Insurance	677,060	2,967,215	(77.18)	1,208,611	3,828,294	(68.43)	4,442,527	3,877,650
Industrial Training Fund	1,033,466	-	-	1,033,466	-	100.00	1,011,937	877,497
ITC Services	330,000	1,185,950	(72.17)	1,210,314	1,591,800	(23.97)	2,476,150	2,304,875
Leave allowance	1,011,945	631,538	60.24	1,493,745	1,872,338	(20.22)	-	-
Licenses/Permits and levies	175,000	236,000	(25.85)	1,014,214	879,600	15.30	1,708,857	1,306,468
Electricity (PHCN)	569,172	614,270	(7.34)	1,282,152	1,052,395	21.83	2,400,889	1,592,830
Local content tax	205,246	1,308,876	(84.32)	1,398,794	1,562,603	(10.48)	2,277,341	3,664,385
Facility Security guards	510,760	404,563	26.25	1,117,605	1,011,407	10.50	2,427,376	1,600,670
Office and general expenses	1,774,481	635,696	-	2,825,614	1,240,472	127.79	2,146,209	2,086,071
Repairs and maintenance	1,468,580	894,300	-	2,678,010	1,585,430	68.91	3,050,033	5,747,325
Printing and stationery	734,791	221,809	231.27	1,273,090	437,522	190.98	787,266	788,917
Professional fees	729,236	16,446,479	(95.57)	2,541,581	17,364,612	(85.36)	4,409,577	7,389,232
Subscription	-	230,000	-	683,450	358,750	90.51	1,263,950	942,239
Telephone and Courier Services	200,400	117,500	70.55	409,083	205,164	99.39	732,224	851,790
Terminal Benefit	-	-	-	2,815,520	552,062	410.00	2,046,175	2,254,750
Transport and travelling expenses	875,896	459,400	90.66	2,106,896	957,603	120.02	3,110,924	2,333,019
Corporate social responsibility	-	-	-	-	-	-	-	1,040,000
Audit Fees	800,000	800,000	-	1,600,000	1,600,000	-	2,000,000	2,000,000
Training expenses	-	250,500	(100.00)	-	1,150,500	-	1,548,700	835,000
Balances written off	-	-	-	-	-	-	-	1,441,250
Bad debt written off	-	-	-	-	-	-	393,488	3,000
Provision for doubtful debts	-	-	-	-	-	-	243,752	5,687,639
VAT	-	-	-	-	-	-	-	8,107,872
WHT	-	-	-	-	-	-	-	1,699,872
	23,698,780	35,075,485	(32.43)	48,085,699	50,919,642	(5.57)	66,225,679	88,277,389
12. Results from operating activities is stated								
Director's emolument:								
- Fees	-	-	-	-	-	-	2,250,000	2,250,000
- Others	-	-	-	-	-	-	15,214,033	15,095,912
Depreciation and impairment loss	11,422,349	9,951,711	-	22,487,973	19,472,758	-	44,260,947	42,973,141
Auditors' Fees	800,000	-	-	1,600,000	1,600,000	-	2,000,000	2,000,000
13. Finance cost								
This represents interests charged by								
Other financial charges	-	176,706	(100.00)	-	3,698,889	(100.00)	8,977,108	4,993,075
Interest on loans	10,735,961	3,435,514	212.50	21,092,126	5,961,701	253.79	20,299,715	925,000
	10,735,961	3,612,220	197.21	21,092,126	9,660,590	100.00	29,276,823	5,918,075



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14. Taxation

14.1 Income tax expense

Company income tax
Education tax

Prior year under-provision (note 14.2.1)
Current tax expense
Deferred tax (note 14.4)

ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
33,778,444	-	-	834,748	4,333,774
2,251,896	-	-	-	999,180
36,030,341	-	-	834,748	5,332,954
-	-	-	-	56,080,276
36,030,341	-	-	834,748	61,413,230
	46,010,469		14,170,061	16,728,133
36,030,341	46,010,469		15,004,809	78,141,363

14.2 Current tax liabilities

Movement in Income tax liabilities

At 1 January
Prior year under-provision
Payments during the year
Tax charge for the year
Withholding tax credit notes applied
At 30th June

834,428	61,106,615	(98.63)	61,106,615	17,602,350
-	-	-	-	56,080,276
-	(15,096,146)	(100.00)	(999,500)	(4,912,309)
36,030,341	-	100.00	834,748	5,332,954
-	-	-	(60,107,435)	(12,996,656)
36,864,769	46,010,469	(19.88)	834,428	61,106,615

14.3 Reconciliation of effective tax rate

(Loss)/profit for the year before tax
Income tax using the company's domestic tax rate of 30%
Education tax using tax rate of 2%
Tax effect on expenses not deductible for tax purposes
Tax effect on capital allowances
Tax effect on tax incentives
Under-provision in prior year

112,594,814	(61,196,217)	(283.99)	(62,236,489)	(5,683,148)
33,778,444	-	100.00	834,748	-
2,251,896	(1,223,924)	(283.99)	-	(1,704,944)
-	-	-	-	(113,663)
-	-	-	-	17,805,483
-	-	-	-	(9,991,797)
-	-	-	-	(662,125)
36,030,341	(1,223,924)	(3,043.84)	-	56,080,276
0.32	0.02		(1.00)	(10.81)

14.4 Deferred tax liabilities

At 1 January 2022
Movement in the period

Deferred tax due to revaluation

At 30th June 2022

108,914,292	92,186,159	18.15	54,377,713	29,276,182
-	-	-	37,808,446	25,101,531
108,914,292	-			
-	70,059,859	55.46	92,186,159	54,377,713
-	-	-	16,728,133	37,808,446
108,914,292	70,059,859	55.46	108,914,292	92,186,159

15. Property, Plant and Equipment 15.1 Summary

The carrying amount of property, plant and equipment is stated as follows:
Land
Buildings
Motor Vehicle
Plant and Machinery
Furniture and Fittings
Office & HSE Equipment

43,600,000	43,600,000	-	43,600,000	43,600,000
163,105,960	165,515,229	(1.46)	163,693,178	167,187,100
6,231,313	-	100.00	-	-
793,592,009	634,740,385	25.03	619,595,034	633,125,255
163,424	1,769,751	(90.77)	344,240	2,361,230
7,381,760	8,111,161	(8.99)	6,631,032	8,864,127
1,014,074,465	853,736,526	18.78	833,863,484	855,137,712



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15.2A FOR THE PERIOD ENDED 30TH JUNE 2022

	Land	Buildings N	Motor Vehicle N	Plant and Machinery N	Furniture and Fittings N	Office & HSE Equipment N	Total N
Deemed Cost							
At 1 January 2022	43,600,000	174,696,120	-	727,884,077	6,513,400	15,629,642	968,323,239
Addition in the year	-	1,164,763	7,121,500	192,148,492	-	2,244,200	202,678,955
At 30th June 2022	43,600,000	175,860,883	7,121,500	920,032,570	6,513,400	17,873,842	1,171,002,194
Accumulated Depreciation and impairment loss							
At 1 January 2022	-	11,002,942	-	108,289,042	6,163,160	8,998,611	134,453,755
Charge for the year	-	1,751,981	890,188	18,151,519	186,816	1,493,471	22,473,974
At 30th June 2022	-	12,754,923	890,188	126,440,561	6,349,976	10,492,082	156,927,729
Carrying amount							
At 30th June 2022	43,600,000	163,105,960	6,231,313	793,592,009	163,424	7,381,760	1,014,074,465
At 30th June 2021	43,600,000	165,515,229	-	634,740,385	1,769,751	8,111,161	853,736,526

15.2B FOR THE PERIOD ENDED 30TH JUNE 2021

	Land	Buildings N	Plant and Machinery N	Furniture and Fittings N	Office & HSE Equipment N	Total N
Deemed Cost						
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	-	-	17,806,572	-	-	17,806,572
At 30th June 2021	43,600,000	167,187,100	650,931,827	2,361,230	8,864,127	872,944,284
Accumulated Depreciation and impairment loss						
At 1 January 2021	-	(7,509,020)	(72,437,102)	(4,017,170)	(6,235,515)	(90,198,807)
Charge for the year	-	(1,671,871)	(16,191,443)	(591,479)	(752,966)	(19,207,759)
At 30th June 2021	-	(9,180,891)	(88,628,545)	(4,608,649)	(6,988,481)	(109,406,566)
Carrying amount						
At 30th June 2021	43,600,000	165,515,229	634,740,385	1,769,751	8,111,161	853,736,526
At 30th June 2020	43,600,000	168,919,520	649,141,677	3,540,149	10,247,032	875,448,379



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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/2012/0000000000254) 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.

15.5 Depreciation

	ACTUAL YTD 2022	HISTORICAL YTD 2021	CHANGE	2021	2020
	N	N	%	N	N
Cost of sales	18,171,519	15,978,108	13.73	35,638,604	34,639,551
Administrative	4,316,454	3,494,650	23.52	8,622,343	8,333,590
	22,487,973	19,472,758	15.48	44,260,947	42,973,141

15.6 Security

As at 30th June 2022, there were no assets pledged as security.

16. Inventories

Diesel	1,402,968	1,358,923	3.24	771,903	939,126
QHSE Consumables	2,802,645	1,499,640	86.89	3,096,045	980,389
Stationeries	657,436	277,095	137.26	630,650	224,092
Technical/Electrical items	6,523,803	5,040,145	29.44	1,874,905	2,895,340
Other consumables	24,051	43,339	(44.50)	48,052	76,664
	11,410,902	8,219,142	38.83	6,421,555	5,115,611

The value of inventories recognised as an expense during the period was N10.08 million (2021: N3.104 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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	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
17. Trade and other receivables					
Trade receivables (note 17.1)	434,064,420	12,365,515	3,410.28	158,451,600	118,999,039
Staff loans and advances (17.2)	5,510,762	1,457,548	278.08	651,423	970,466
Receivable due from related parties (note 17.3)	7,595,769	6,307,001	20.43	6,307,001	6,091,601
	447,170,951	20,130,064	2,121.41	165,410,024	126,061,106
17.1 Trade receivables					
Receivables from customers	434,064,420	12,365,515	3,410.28	175,831,695	137,620,982
Allowance for expected credit losses (note 17.1.1)	-	-	-	(17,380,095)	(18,621,943)
	434,064,420	12,365,515	3,410.28	158,451,600	118,999,039
Ageing of trade receivables					
Current	-	-	-	6910873	67,031,021
1 - 30 days past due	179,115,826	3,475,700	5,053.37	-	-
31 - 60 days past due	106,717,700	2,926,347	3,546.79	109,059,576	10,069,574
61 - 90 days past due	38,091,000	-	100.00	-	-
Over 90 days past due	110,139,894	340,000	32,294.09	59,861,246	60,520,387
	434,064,420	6,742,047	6,338.17	175,831,695	137,620,982
17.1.1 Movement in allowance for credit losses					
At 1 January	17,380,095	18,846,343	(7.78)	18,846,343	13,158,704
Debt recovery	(3,415,250)	-	100.00	(1,710,000)	-
Allowance for the year				243,752	5,687,639
At 30th June 2022	13,964,845	18,846,343	(25.90)	17,380,095	18,846,343
17.2 Key management personnel and staff loans					
Loan to key management personnel	-	-	-	-	-
Staff loans and advances	5,510,762	1,457,548	278.08	982,466.00	953,269.00
Allowance for expected credit losses	-	-	-	(3,000.00)	(40,671.00)
	5,510,762	1,457,548	278.08	979,466	912,598
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.

	ACTUAL	HISTORICAL			
	YTD 2022	YTD 2021	CHANGE	2021	2020
	N	N	%	N	N
Due from	1,288,768	-	100	-	-
Expenses for the period	6,307,001	6,307,001	-	6,307,001	6,307,001
The Initiates Uganda Limited - Pre-Incorporation expenses	7,595,769	6,307,001	20.43	6,307,001	6,307,001

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 year end.

Cash in hand	252,922	271,939	(6.99)	161,649	22,584
Cash at bank	386,213,045	11,039,474	3,398.47	651,493,558	5,349,659
	386,465,967	11,311,413	3,316.60	651,655,207	5,372,243
Apel Capital Investment note (note 18.1)	6,520,523	6,279,467	3.84	6,520,523	3,268,845
	392,986,490	17,590,880	2,134.04	658,175,730	8,641,088

18.1 Short Term Investment

This represents short term investment in Apel Investment note. This investment has a tenor of 180 days with the interest rate of 5% per annum.



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19. Current tax assets

These represent withholding tax receivable as at year end.

	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
At 1 January	78,079,975	125,401,944	(37.74)	125,401,944	116,863,352
Withholding tax in the period	7,415,880	8,407,429	(11.79)	12,785,467	21,535,248
Withholding tax utilised during the year	-	-	-	(60,107,436)	(12,996,656)
At 30th June 2022	85,495,855	133,809,373	(36.11)	78,079,975	125,401,944

20. Other current assets

Advance to third party	19,089,960	-	100.00	-	-
Prepaid expenses	61,118,470	1,849,814	3,204.03	23,450,252	13,981,405
	80,208,430	1,849,814	4,236.03	23,450,252	13,981,405

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	450,000,000
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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	444,990,776
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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.

22. Share premium

At 1 January	17,780,000	17,780,000	-	17,780,000	17,780,000
Additional share premium	-	-	-	-	-
At 30th June 2022	17,780,000	17,780,000	-	17,780,000	17,780,000

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/2012/0000000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation reserve account.

At 1 January	303,473,535	303,473,535	-	303,473,535	303,473,535
Revaluation surplus	-	-	-	-	-
At 30th June 2022	303,473,535	303,473,535	-	303,473,535	303,473,535



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**THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2022**

	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
24. Retained earnings					
At 1 January	323,300	77,564,598	(99.58)	77,564,598	161,389,109
Profit (Loss) for the year	76,564,474	(61,071,044)	(225.37)	(77,241,298)	(83,824,511)
At 30th June 2022	76,887,774	16,493,554	366.17	323,300	77,564,598
25. Trade and other payables					
Trade payables	170,615,080	31,211,029	446.65	36,002,797	28,954,232
Advances from customer (note 26.1)	43,915,113	-	100.00	63,320,246	-
Dividend payable (note 25.2)	7,124,254	6,883,198	3.50	7,124,254	3,909,465
Accruals (note 25.1)	36,767,400	3,246,591	1,032.49	15,724,786	13,842,555
	258,421,848	41,340,818	525.10	122,172,083	46,706,252
25.1 Accruals					
Accrued Auditors Fees	1,600,000	-	-	2,000,000	2,000,000
Accrued Professional Fees	1,200,000	1,600,000	(25.00)	1,200,000	2,315,000
Accrued Directors' Fees	1,225,000	65,000	1,784.62	3,567,123	-
Accrued Interest on Loan	3,486,647	1,009,937	245.23	1,009,937	-
Accrued Performance Bonus	1,009,937	5,809	100.00	5,809	1,200,000
Accrued Contract Staff Salary	12,003,000	-	100.00	7,534,136	15,745
Accrued Security & Com Expense	16,242,816	-	100.00	210,981	2,925,000
Other Accrued Expenses	-	-	-	80,000	5,386,810
Accrued Board Expenses	-	565845.21	(100.00)	116,800	-
	36,767,400	3,246,591		15,724,786	13,842,555
25.2 Dividend payable					
At 1 January	7,124,254	3,872,576	83.97	3,603,731	3,603,731
Unclaimed dividends	-	3,010,622	(100.00)	3,010,623	-
Interest on unclaimed dividends	-	-	-	509,900	268,845
At 30th June 2022	7,124,254	6,883,198	3.50	7,124,254	3,872,576
27. Other current tax liabilities					
Pay As You Earn	1,525,077	709,788	114.86	634	126,585
Withholding tax payable	25,577,088	19,801,389	29.17	23,834,593	18,925,110
Local Content Tax Liability	1,240,086	1,186,961	100.00	1,240,086	16,243,372
Value Added Tax - Suppliers	27,623,115	23,042,076	19.88	23,255,909	1,112,586
Value Added Tax - Customers	35,348,452	19,694,173	79.49	32,533,045	27,776,853
At 30th June 2022	91,313,818	64,434,387	41.72	80,864,267	64,184,506

26.1 Advances from customer

These represent payments made by Belbop Nigeria Limited in the current year for jobs yet to be executed.



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THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
28. Employees' benefits					
Defined contribution plans (note 28.1)	3,413,316	1,897,968	0.44	926,945	2,618,292
28.1 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	926,945	2,618,292	(64.60)	2,618,292	2,055,001
Provision for the year	3,413,316	1,897,968	79.84	8,482,014	9,408,086
Payments made during the year	(926,945)	(2,618,292)	(64.60)	(10,173,361)	(8,844,795)
At 30th June 2022	3,413,316	1,897,968	79.84	926,945	2,618,292
29. Borrowings					
At 1 January	700,000,000	17,000,000	100.00	-	-
Loan facility from GTB	5,000,000	(17,000,000)	100.00	700,000,000	17,000,000
At 30th June 2022	705,000,000	-		700,000,000	17,000,000

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.

Furthermore, loan of N5 million was obtained from Guaranty Trust Bank Plc with a tenor of 6 months and interest rate of 5% per annum.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
30. Information regarding directors and employees					
30.1. Directors					
Directors' emoluments comprises:					
Fees	1,125,000	3,162,513	-	2,250,000	2,250,000
Others - salaries and allowances	6,120,000	5,312,160	-	11,297,520	11,077,200
	7,245,000	8,474,673	-	13,547,520	13,327,200
Highest paid Director (Managing Director) - emolument	1,011,945	631,538	60.24		-
Other directors with emoluments	Number Nil	Number Nil	Number Nil	Number Nil	Number Nil
The number of directors with gross emoluments within the band stated were:					
Below N3,000,000	Number -	Number -	-	-	-
N3,000,001 - N7,000,000	-	-	-	-	-
N7,000,001 and above	1	1	-	1	1
	1	1	-	1	1
30.2 Employees					
Average numbers of persons employed during the year:					
Management	11	10	10.00	9	11
Senior Staff	12	11	9.09	11	12
Junior Staff	26	28	(7.14)	26	26
	49	49	-	46	49
Aggregate payroll costs					
Salaries and allowances	26,107,473	21,458,277	21.67	64,912,954	71,515,460
The number of employees in Nigeria with gross emoluments within the bands stated were:					
N100,000	3	3	-	3	3
N500,001	19	18	5.56	19	19
N1,000,001	13	13	-	12	13
N1,500,001	14	15	(6.67)	12	14
	49	49	-	46	49



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THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

32. Guarantees and other financial commitments

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

33. 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.

34. Contingent liabilities

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

35. Capital commitments

There were no capital commitments at 30th June 2022

36. 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.

37. Earnings per Share

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

	ACTUAL Q2 2022 N	HISTORICAL Q2 2021 N	CHANGE %	ACTUAL YTD 2022 N	HISTORICAL YTD 2021 N	CHANGE %	2021 N	2020 N
Profit attributable to ordinary shareholders (in naira)	29,435,766	(30,515,412)	(196.46)	76,564,474	(61,196,217)	(100.00)	(66,421,851)	(11,485,339)
Number of ordinary shares issued and fully paid for basic earnings per share (in	889,981,552	889,981,552	-	889,981,552	889,981,553	-	889,981,554	889,981,552
Basic earnings per 50 kobo share	3.31	(3.43)	(1.96)	8.60	(6.88)	(100.00)	(7.46)	(1.29)



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THE INITIATES PLC

OTHER NATIONAL DISCLOSURES



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THE INITIATES PLC

STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED 30TH JUNE 2022

	ACTUAL Q2 2022 N		HISTORICAL Q2 2021 N		ACTUAL YTD 2022 N		HISTORICAL YTD 2021 N		2021 N		2020 N	%
Revenue from contracts with customers	282,369,429		65,777,798		498,773,939		120,232,622		333,899,008		469,379,792	
Other income	3,415,250		47,700		3,415,250		176,425		27,329,567		5,989,484	
	285,784,679		65,825,498		502,189,189		120,409,047		361,228,575		475,369,276	
Less: Bought in materials and services												
Imported	-		-								2,961,971	
Local	216,917,068		75,420,254		340,998,929		151,244,144		314,291,163		363,601,851	
Value added	68,867,611	100	(9,594,756)	100	161,190,260	100	(30,835,097)	100	46,937,412	100	108,805,454	100
Applied as follows:												
To pay employees' salaries wages and other benefits	14,157,371	21	10,968,945	(114)	26,107,473	16	21,458,277	(70)	64,912,954	138	71,515,460	66
To pay Government taxation	13,852,125	20	-		36,030,341	22	-		834,748	2	61,413,230	56
To provide for enhancement of assets and expansion:												
- deferred tax	-		-						14,170,061	30	16,728,134	15
- depreciation of fixed assets	11,422,349	17	9,951,711	(104)	22,487,973	14	8,902,842	(29)	44,260,947	94	42,973,141	39
- retained in the business	29,435,766	43	(30,515,412)	318	76,564,474	47	(61,196,217)	198	(77,241,298)	(165)	(83,824,511)	(77)
	68,867,611	100	(9,594,756)	100	161,190,260	100	(30,835,097)	100	108,805,454	100	108,805,454	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.



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THE INITIATES PLC

FIVE YEARS FINANCIAL SUMMARY

	2021 N	2020 N	2019 N	31 December 2018 N	2017 N
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Statement of Financial Position

Assets employed

Non-current Assets	833,863,484	855,137,712	864,209,717	655,833,451	678,098,211
Other non-current assets	29,048,667	10,000,000	-	-	-
Current Assets	931,537,536	279,201,154	285,090,412	473,650,809	465,676,462

Total Assets

1,794,449,687	1,144,338,866	1,149,300,129	1,129,484,260	1,143,774,673
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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	82,210,528	83,410,528
Retained earnings	323,300	77,564,598	161,389,109	163,619,341	169,621,532

766,567,611	843,808,909	927,633,420	708,600,645	715,802,836
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Liabilities

Non-current liabilities	823,084,353	108,914,292	92,186,159	54,377,713	29,276,182
Current liabilities	204,797,723	191,615,665	129,480,550	366,505,902	398,695,655

Total liabilities and equity

1,794,449,687	1,144,338,866	1,149,300,129	1,129,484,260	1,143,774,673
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Statement of Profit or Loss and Other Comprehensive Income

Revenue	333,899,008	448,013,531	550,218,779	700,798,753	664,901,943
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(Loss)/profit before taxation	(62,236,489)	(5,683,148)	95,820,558	134,864,469	56,962,054
Income tax expense	(15,004,809)	(78,141,363)	(53,551,712)	(43,884,152)	8,511,955

(Loss)/profit after taxation	(77,241,298)	(83,824,511)	42,268,846	90,980,317	65,474,009
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Other Comprehensive income

Revaluation surplus on property, plant and equipment	-	-	221,263,007	-	-
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Other comprehensive income for the year	-	-	221,263,007	-	-
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Total comprehensive (loss)/ income for the year	(77,241,298)	(83,824,511)	263,531,853	90,980,317	65,474,009
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(Loss)/basic earnings per share (kobo)	(9)	(9)	5	62	9
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Net assets per share (kobo)	86	95	104	80	80
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(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.