

2022

THE INITIATES PLC MANAGEMENT ACCOUNT
FOR PERIOD ENDED 31ST DECEMBER 2021



TIP Commercial

THE INITIATES PLC.

1/17/2022



DOCUMENT TITLE: 2021 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-COM-MNG -0026

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, cash flows and changes in equity for the fourth quarter ended 31st December 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 30th September 2021 were approved by directors on 28th of January, 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
FOURTH QUARTER ENDED 31ST DECEMBER 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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THE INITIATES PLC

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

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: 31ST DECEMBER
REPORTING PERIOD: 2021 FOURTH QUARTER (1ST OCTOBER - 31ST DECEMBER 2021)
SHARE PRICE AS AT REPORTING DATE: N0.40 (2020: N0.52)

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%
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
Free Float in Unit and Percentage	188,956,629	21.00	199,049,538	22.12
Free Float in Value	₦	75,582,651.60		N103,505,760

(A) THE INITIATES Plc with a free float percentage of 21% as at 31st December 2021, 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 N75,582,651 as at 31st December 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 fourth quarter account ended 31st December 2021 and hereby state as follows:

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

Dated 27th January 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 FOURTH QUARTER (OCTOBER - DECEMBER 2021)

1.1.1 REVENUE

TIP reported a total revenue of NGN175.8M (2020: N114.8M) representing a 53.08% increase when compared with the performance of Q4 of 2020. The makeup of this revenue along core business lines shows a significant contribution from Industrial Cleaning Service – N107.5M and Waste Management Service – N68.4M

1.1.2 GROSS PROFIT

TIP posted a Gross Profit of N77.1M, (2020 – N62.9M) which represent an increase of 22.48% compared to Q4 of 2020. **DC:** 2021 – N98.8M (56% of revenue), 2020 – N51.9M, Q4 2021, representing an increase in Direct Cost by 90.15% over Q4 of 2020.

1.1.3 NET PROFIT:

TIP posted a net profit before tax of N9.5M (2020 Q4 N32.3M). Representing about 69.0% deviation from the profits of Q4 2020 profit.

1.2.0 YEAR TO DATE (JAN- DECEMBER 2021)

1.2.1 REVENUE: 2021 – NGN358.2M (2020 – NGN469.4M) representing a drop of 23.69% from annual revenue of 2020.

1.2.2 DC: 2021 – N253.7M (2020 –N324.9M) representing a drop in Direct Cost by 21.94%.

1.2.3 GROSS PROFIT: 2021: N104.5M (2020: N144.4M) representing 27.62% drop when compared with YTD of 2020.



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1.2.4 NET LOSS BEFORE TAX: 2021: (N87.09M) (2020: N83.82M) showing an increase in loss of 3.89% when compared to the result of 2020 fiscal year.

BALANCE SHEET

2.0 BALANCE SHEET

TIP Balance Sheet values shows NGN1.782B as at the end of the period under review from NGN1.1441M as at 31st December 2021.

- 1. Trade Receivables:** This stood at N168.78M at the close of business (COB) on 31st December 2021 (YTD 2020: N126.06M). Out of this, only NGN17.2M was above 90 days.
- 2. Trade Payable:** TIP Account Payable increased to NGN67.8M as at 31st December 2021 as against NGN46.7M reported at year ended 2020.

3. Measurement of Liquidity

When TIP's Current Assets of N933.13M is charged against Current Liabilities of NGN913.1M a Current Ratio of about 1:1 is reported. This however shows a fair liquidity situation meaning that TIP's current assets can pay all her current liabilities with little reserve for working capital.

The Management and Board assures all stakeholders that the days of poor performances is Over. As we will report increases in TIP bottom lines owing to the commencement of two new contracts that will commence in Q1 of 2022.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 2021.

STATEMENT OF COMPREHENSIVE INCOME

<i>FOR THREE MONTHS ENDED 31ST DECEMBER</i>				<i>YEAR TO DATE ENDED DECEMBER 31ST</i>		
	<i>ACTUAL</i>	<i>HISTORICAL</i>	<i>CHANGE</i>	<i>ACTUAL</i>	<i>HISTORICAL</i>	
	<i>Q4 2021</i>	<i>Q4 2020</i>	<i>%</i>	<i>YTD 2021</i>	<i>YTD 2020</i>	<i>CHANGE</i>
	<i>N'Mn</i>	<i>N'Mn</i>		<i>N'Mn</i>	<i>N'Mn</i>	<i>%</i>
Revenue	175.83	114.86	53.08	358.20	469.38	(23.69)
Direct cost	98.76	51.94	90.15	253.68	324.98	(21.94)
Gross Profit	77.06	62.92	22.48	104.52	144.40	(27.62)
Other Income	-	-	100.00	-	5.99	(100.00)
Total Indirect Cost	56.96	30.70	85.57	160.08	150.15	6.61
Financial Cost	10.59	0.93	100.00	31.52	(5.92)	100.00
Profit Before Tax	9.51	31.30	(69.60)	(87.09)	6.15	(1,515.37)
Provision of Income Tax Expense	3.04	10.02	-	-	(78.14)	-
Profit for the period	6.47	21.28	(69.60)	(87.09)	(83.82)	3.89
				-		

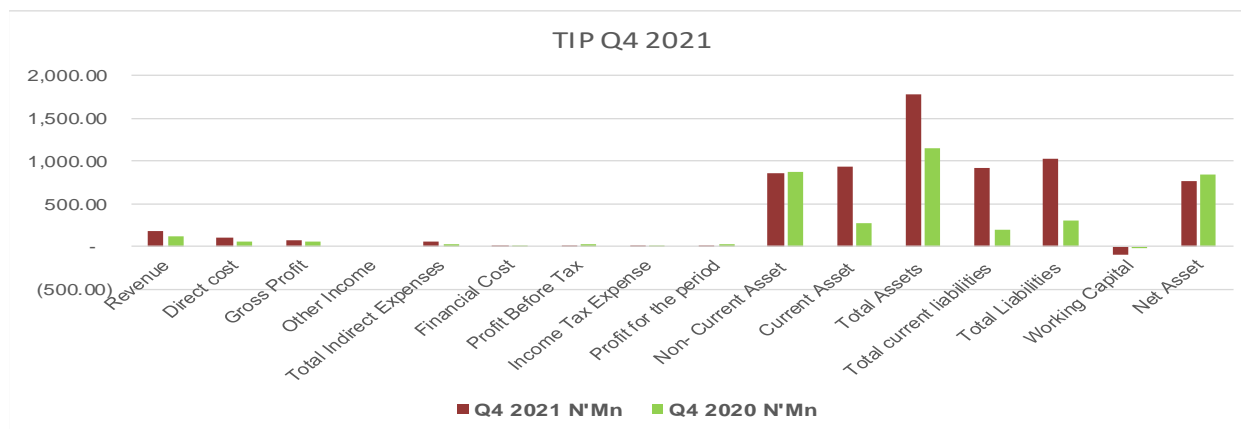
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER

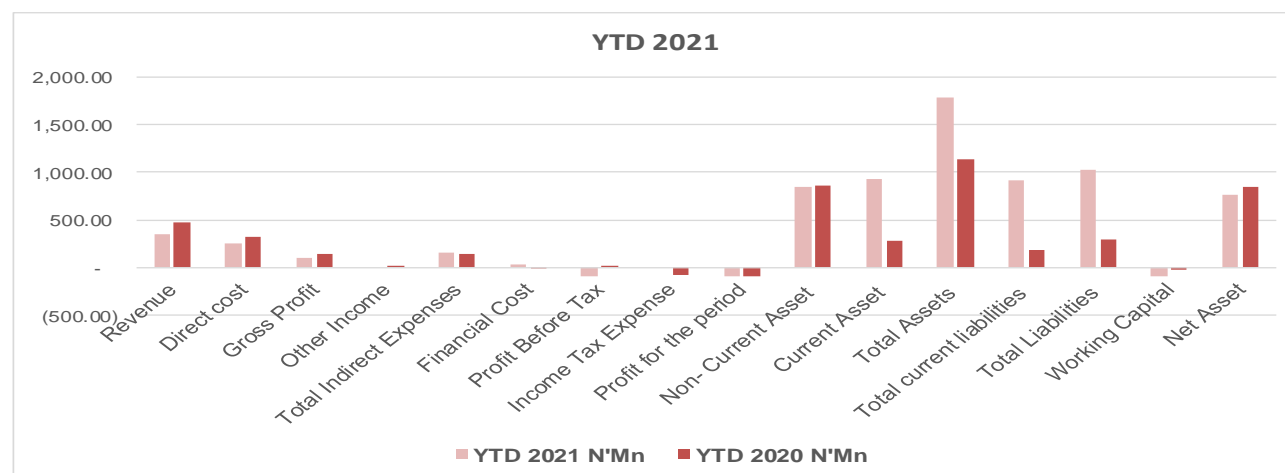
	<i>YTD 2021</i>	<i>YTD 2020</i>	<i>CHANGE</i>
ASSETS	<i>N'Mn</i>	<i>N'Mn</i>	<i>%</i>
Non-Current Assets			
Property, plant and Equipment	839.22	855.14	(1.86)
Other non-current assets	10.00	10.00	100.00
Total Non-Current Assets	849.22	865.14	(1.84)
Current Assets			
Inventories	9.83	5.12	92.11
Trade receivables	168.78	126.06	33.89
Cash and cash equivalents	658.22	8.64	7,517.30
Current tax assets	78.08	125.40	(37.74)
Other current tax assets	18.22	13.98	30.33
Total current Asset	933.13	279.20	234.21
Total Assets	1,782.35	1,134.34	57.13
Non-Current Liabilities			
Deferred tax	108.91	108.91	-
Current Liabilities			
Trade and Other payables	67.85	46.71	45.26
Current tax liabilities	(0.00)	61.11	(100.00)
Other current tax liabilities	144.34	64.18	124.88
Employees' benefits	0.93	2.62	(64.60)
Short term borrowings	700.00	17.00	-
Total current liabilities	913.11	191.62	376.53
Total Liabilities	1,022.03	300.53	240.08
Working Capital	(88.90)	(21.33)	316.82
Net Asset	760.32	843.81	(9.89)



KEY RATIOS				
	THREE MONTHS ENDED 31ST DECEMBER		YEAR ENDED DECEMBER 31ST	
	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Earnings Per Share	0.02	2.39%	(0.08)	(0.09)
Gross Profit Margin	53.64	54.78	33.99	3076.38%
Net Profit Margin	10.35	18.53	(19.50)	(17.86)
Net Asset Per Shares	0.87 kobo	0.95	0.87 kobo	0.95 kobo
Return on Capital Employed	205%	2.23	(7.88)	(8.80)
Current Ratios	1.04 x	1.46	1.042 x	145.71 x
Net Working Capital:	0.21 x	0.76	0.10 x	0.19 x
Fixed Asset Turnover:	0.21 x	0.13	0.43 x	0.55 x
Receivables Turnover	2.08 x	1.82	4.24 x	7.45 x
Payables Turnover	(5.47)	(3.54)	(15.67)	(20.35)
Return On Equity	2.34%	2.52%	(0.09)	(0.1)
Return On Assets	9.86%	10.04%	20.10%	41.02%
Price Earning per Share	24.45 kobo	20.91 kobo	(6.37)	(5.31)
	129%	36%	129%	36%



Graphical representation of TIP's FOURTH QUARTER 2021 performance



Graphical representation of TIP's YEAR TO DATE 2021 performance



THE INITIATES PLC

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

		ACTUAL	HISTORICAL		ACTUAL	HISTORICAL		2020	2019
		Q4 2021	Q4 2020	CHANGE	YTD 2021	YTD 2020	CHANGE	N	N
		N	N	%	N	N	%	N	N
Continuing Operations	Notes								
Revenue from contracts with customers	6	175,825,992	114,857,802	53.08	358,200,311	469,379,791	(23.69)	469,379,791	550,218,779
Cost of sales	7	98,763,219	51,938,288	90.15	253,680,620	324,980,699	(21.94)	324,980,699	(285,547,369)
Gross profit		77,062,772	62,919,514	22.48	104,519,691	144,399,092	(27.62)	144,399,092	264,671,410
Other income	6a	-	-	100.00	-	5,989,484	(100.00)	5,989,484	30,140,845
Staff costs	8	14,731,751	12,180,237	20.95	47,474,410	55,797,420	(14.92)	55,797,420	(72,773,148)
Depreciation and impairment loss	9	1,788,140	2,172,057	(17.68)	7,062,096	8,333,590	(15.26)	8,333,590	(7,526,599)
Administrative expenses	10	40,443,125	16,343,274	147.46	105,547,463	86,022,639	22.70	86,022,639	(88,538,219)
Other expenses	11	-	-	-	-	-	-	-	-
Total Indirect Cost		56,963,017	30,695,568	85.57	160,083,970	150,153,649	6.61	150,153,649	(168,837,966)
Results from operating activities		20,099,756	32,223,946	(37.62)	(55,564,279)	234,927	(23,751.69)	234,927	125,974,289
Finance cost	13	10,586,302	925,000	100.00	31,523,604	5,918,075	100.00	5,918,075	(30,153,731)
Profit before tax		9,513,454	31,298,946	(69.60)	(87,087,883)	(5,683,148)	1,432.39	(5,683,148)	95,820,558
Provision for Income tax expense	14.1	3,044,305	10,015,663	(69.60)	-	(78,141,363)	-	(78,141,363)	(53,551,712)
Profit for the Period		6,469,149	21,283,283	(69.60)	(87,087,883)	(83,824,511)	3.89	(83,824,511)	42,268,846
Other Comprehensive income									
Foreign currency translation difference	6b	845,000	(1,564,050)	-	3,600,242	-	-	-	-
Revaluation surplus on property, plant and equipm	23.3	-	-	-	-	-	-	-	221,263,007
Other comprehensive income for the year		845,000	(1,564,050)	-	3,600,242	-	-	-	221,263,007
Total comprehensive income for the year		7,314,149	19,719,233	(62.91)	(83,487,641)	(83,824,511)	(0.40)	(83,824,511)	263,531,853
Basic earnings per share (kobo)	37	0.01	0.02	(69.60)	(0.10)	0.09	3.89	(0.09)	5

The notes on pages 16 to 31 form part of these financial statements.



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THE INITIATES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021

		ACTUAL	HISTORICAL			
		YTD 2021	YTD 2020	CHANGE	2020	2019
	Note	N	N	%	N	N
Assets						
Non-current assets						
Property, plant and equipment	15	839,224,556	855,137,712	(1.86)	855,137,712	864,209,717
Other non-current assets		10,000,000	10,000,000	100.00	10,000,000	-
Current assets						
Inventories	16	9,827,830	5,115,611	92.11	5,115,611	8,063,918
Trade and other receivables	17	168,778,507	126,061,106	33.89	126,061,106	142,477,084
Cash and cash equivalents	18	658,217,915	8,641,088	7,517.30	8,641,088	13,421,682
Current tax assets	19	78,079,975	125,401,944	(37.74)	125,401,944	116,863,352
Other current assets	20	18,221,615	13,981,405	30.33	13,981,405	4,264,376
Total current assets		933,125,842	279,201,154	234.21	279,201,154	285,090,412
Total Assets		1,782,350,398	1,144,338,866	55.75	1,144,338,866	1,149,300,129
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	(5,923,043)	77,564,598	(107.64)	77,564,598	161,389,109
Total equity		760,321,268	843,808,909	(9.89)	843,808,909	927,633,420
Non-current liabilities						
Deferred tax liabilities	14.4	108,914,292	108,914,292	-	108,914,292	92,186,159
Current liabilities						
Trade and other payables	25	67,846,572	46,706,252	45.26	46,706,252	52,677,285
Provisions	26	-	-	-	-	13,482,130
Current tax liabilities	14	-	61,106,615	(100.00)	61,106,615	17,602,350
Other current tax liabilities	27	144,341,320	64,184,506	124.88	64,184,506	43,663,784
Employees' benefits	28	926,945	2,618,292	(64.60)	2,618,292	2,055,001
Borrowings	29	700,000,000	17,000,000	-	17,000,000	-
Total current liabilities		913,114,838	191,615,665	376.53	191,615,665	129,480,550
Total liabilities		1,022,029,130	300,529,957	240.08	300,529,957	221,666,709
Total equity and liabilities		1,782,350,398	1,144,338,866	55.75	1,144,338,866	1,149,300,129

These financial statements were approved by the Board of Directors on 28th January, 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/NIAECH/00000009687


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

The notes on pages 16 to 31 form part of these financial statements.



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THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST 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 period	-	-	-	(83,487,641)	(83,487,641)
At 31st December	444,990,776	17,780,000	303,473,535	(5,923,043)	760,321,268

*

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)
At 31st December	444,990,776	17,780,000	303,473,535	77,564,598	843,808,909



THE INITIATES PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31ST DECEMBER 2021

	ACTUAL	HISTORICAL		ACTUAL	HISTORICAL		2020	2019
	Q4 2021	Q4 2020	CHANGE	YTD 2021	YTD 2020	CHANGE	N	N
	N	N	%	N	N	%	N	N
Cashflows from Operations	124,327,984	21,506,530	478.09	214,242,795	227,515,999	(5.83)	227,515,999	666,627,337
Cash Paid to Suppliers	(149,595,464)	(28,415,003)	426.47	(147,197,356)	(126,059,977)	16.77	(126,059,977)	(406,192,819)
Cash Paid to Employees	(14,731,751)	(12,180,237)	20.95	(47,474,410)	(71,515,460)	(33.62)	(71,515,460)	(72,773,148)
Finance Cost	(10,586,302)	(925,000)	100.00	(31,523,604)	(5,918,075)	100.00	(5,918,075)	(30,153,731)
Paid to Government (taxes)	-	-	100.00	(999,500)	(4,912,309)	-	(4,912,309)	(3,665,349)
Total	(50,585,534)	(20,013,710)	152.75	(12,952,075)	19,110,178	(167.78)	19,110,178	153,842,291
Cashflow from Investment Activities								
Capex	(6,587,980)	(2,700,000)	144.00	(23,481,720)	(36,342,386)	(35.39)	(36,342,386)	(28,203,883)
Proceeds from sale of property, plant and equipment	-	-	-	-	1,000,000	-	1,000,000	-
Interest received	-	-	#DIV/0!	-	100,844	(100.00)	100,844	1,236,417
Total	(6,587,980)	(2,700,000)	144.00	(23,481,720)	(35,241,542)	(33.37)	(35,241,542)	(26,967,466)
Cashflow from Financing Activities								
Loans obtained	700,000,000	17,000,000	-	729,500,000	17,000,000	-	17,000,000	103,340,360
Repayment of loans	-	-	(100.00)	(46,500,000)	-	100.00	-	(253,494,091)
Unclaimed dividend returned	3,010,622	-	-	3,010,622	258,845	100.00	-	2,144,398
Dividend paid	-	-	-	-	-	(100.00)	-	(44,499,078)
Total	703,010,622	17,000,000	-	686,010,622	11,350,770	100.00	11,350,770	(192,508,411)
Net Cash Flow	645,837,109	(5,713,710)	(11,403.29)	649,576,827	(4,780,594)	(13,687.78)	(4,780,594)	(65,633,586)
Opening Balance	12,380,806	14,354,798	(13.75)	8,641,088	13,421,682	(35.62)	13,421,682	79,055,268
Closing Balance	658,217,915	8,641,088	7,517.30	658,217,915	8,641,088	7,517.30	8,641,088	13,421,682



THE INITIATES PLC

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	ACTUAL Q4 2021 N	HISTORICAL Q4 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
6. Revenue from contracts with customers	175,825,992	114,857,802	53.08	358,200,311	469,379,791	(23.69)	469,379,791	550,218,779
The revenue from contracts with customers is made up of:								
Industrial cleaning services	107,471,459	5,626,684	1,810.03	136,458,363	34,091,612	300.27	34,091,612	191,530,969
Waste management services	68,354,533	109,231,118	(37.42)	221,741,949	435,288,179	(49.06)	435,288,179	358,687,809
	175,825,992	114,857,802	53.08	358,200,311	469,379,791	(23.69)	469,379,791	550,218,779
6a. WASTES MANAGEMENT SERVICE								
The revenue from Waste management Services is made up of:								
TDU	7,516,079	11,797,975	(36.29)	58,718,595	182,837,189	(67.88)	182,837,189	174,737,101
INCINERATOR	21,794,898	13,868,438	57.15	59,878,422	77,405,758	(22.64)	77,405,758	107,552,004
FIXATION	4,468,420	1,190,500	275.34	24,566,732	43,596,203	(43.65)	43,596,203	6,895,660
E-WASTE	34,575,136	82,374,205	(58.03)	78,578,200	131,449,030	(40.22)	131,449,030	69,503,044
	68,354,533	109,231,118	(37.42)	221,741,949	435,288,179	(49.06)	435,288,179	358,687,809
6b. Other income								
Sales of Secondary Product	-	-	100.00	-	-	100.00	-	1,510,000
Interest received	-	-	-	-	100,844	100.00	100,844	1,236,417
Foreign exchange gains (note 6b)	-	-	-	-	5,802,191	(100.00)	5,802,191	27,334,790
Sundry income	-	-	-	-	86,449	-	86,449	59,638
	-	-	100.00	-	5,989,484	(100.00)	5,989,484	30,140,845
6c Foreign exchange gains								
This represents exchange difference arising from translation of foreign currency transactions during the year under review.								
Gains from translation of foreign currency transactions in the period	845,000	(1,564,050)	-	3,600,242	4,534,337	(20.60)	4,534,337	27,334,790
Gains from translation of foreign currency balances at year end	-	-	-	-	1,267,854	-	1,267,854	-
Foreign exchange gains	845,000	(1,564,050)	(154.03)	3,600,242	5,802,191	(37.95)	5,802,191	27,334,790

**DOCUMENT TITLE: 2021 FOURTH QUARTER MANAGEMENT ACCOUNT****DOCUMENT NO.: TIP-COM-MNG -0026****REV NO.: 00****7. Cost of sales**

Waste Collection and Haulage	19,615,013	17,150,185	14.37	55,756,763	162,535,799	(65.70)	162,535,799	130,721,110
Waste Disposal	2,771,435	1,281,121	116.33	6,360,641	3,353,745	89.66	3,353,745	4,590,456
Hiring of equipment	9,617,767	1,135,520	746.99	34,660,713	11,073,451	213.01	11,073,451	19,148,768
Diesel and lubricants	826,686	497,427	66.19	3,258,187	1,349,474	141.44	1,349,474	11,216,472
Repairs and Maintenance	3,270,136	3,122,640	4.72	9,712,793	14,981,953	(35.17)	14,981,953	17,798,973
Employee costs (note 10)	6,505,775	-	100.00	25,735,894	15,718,040	-	15,718,040	12,586,914
Transport and travelling	678,100	313,902	116.02	1,332,958	2,979,946	(55.27)	2,979,946	4,340,137
Consumables	18,804,221	1,163,310	1,516.44	21,746,459	21,836,597	(0.41)	21,836,597	28,680,185
Depreciation (note 15)	8,215,142	8,810,212	(6.75)	32,332,779	34,639,551	(6.66)	34,639,551	33,564,025
Direct wages	2,786,360	7,629,613	(63.48)	6,822,894	8,351,987	(18.31)	8,351,987	11,750,880
Community relations and security	17,034,936	7,036,630	142.09	33,436,919	30,341,980	10.20	30,341,980	7,163,884
Compliance	1,343,750	1,752,250	(23.31)	2,010,250	15,114,981	(86.70)	15,114,981	8,442,699
Other direct costs	7,293,899	2,045,478	256.59	20,513,372	2,703,195	658.86	2,703,195	8,129,780
	98,763,219	51,938,288	90.15	253,680,620	324,980,699	(21.94)	324,980,699	298,134,283

7a. Other direct costs

Business Development	5,050,000	789,000	540.05	8,926,838	2,021,445	341.61	2,021,445	2,295,635
QHSE	1,255,399	1,166,678	7.60	6,822,894	361,750	1,786.08	361,750.00	3,532,125
Permits	988,500	89,800	1,000.78	4,763,640	320,000	1,388.64	320,000.00	2,302,020
	7,293,899	2,045,478	256.59	20,513,372	2,703,195	658.86	2,703,195	8,129,780

8. Staff costs

Salaries and allowances	12,690,835	9,268,175	36.93	39,316,589	59,549,009	(33.98)	59,549,009	59,443,411
Employer's pension contribution	959,905	1,016,175	(5.54)	3,879,910	5,121,718	(24.25)	5,121,718	5,533,500
Staff welfare	90,000	759,914	(88.16)	487,250	1,810,039	(73.08)	1,810,039	2,388,736
Medical expenses	991,011	1,135,973	(12.76)	3,790,661	5,034,694	(24.71)	5,034,694	5,407,501
	14,731,751	12,180,237	20.95	47,474,410	71,515,460	(33.62)	71,515,460	72,773,148



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FOR THE PERIOD ENDED 31ST DECEMBER 2021

	ACTUAL Q4 2021	HISTORICAL Q4 2020	CHANGE	ACTUAL YTD 2021	HISTORICAL YTD 2020	CHANGE	2020	2019
9. Depreciation and impairment loss								
Depreciation	1,788,140	2,172,057	(17.68)	7,062,096	8,333,590	(15.26)	8,333,590	7,526,599
10. Administrative expenses								
Directors' Remuneration	2,656,080	2,656,080	-	10,624,320	11,077,200	(4.09)	11,077,200	12,913,200
Directors' allowances and expenses	230,000	509,000	(54.81)	3,836,513	4,018,712	(4.53)	4,018,712	5,798,462
Directors' fees	2,250,000	2,250,000	-	2,250,000	2,250,000	-	2,250,000	2,250,000
Transport and travelling expenses	1,353,928	625,679	116.39	3,105,424	2,333,019	33.11	2,333,019	4,012,670
Professional fees	21,708,434	684,079	3,073.38	40,279,577	7,389,232	445.11	7,389,232	5,247,574
Electricity (PHCN)	551,915	160,014	244.92	2,274,908	1,592,830	42.82	1,592,830	676,837
Fuel and diesel	1,702,194	1,053,457	61.58	4,964,936	5,574,919	(10.94)	5,574,919	9,209,331
Licenses/Permits and levies	143,000	178,000	100.00	1,708,858	1,306,468	30.80	1,306,468	1,821,925
Occupancy Cost	606,844	606,844	100.00	2,427,376	1,600,670	100.00	1,600,670	-
Donation & Gift	200,000	300,000	-	560,000	1,420,000	-	1,420,000	735,500
Repairs and maintenance	454,100	883,725	(48.62)	2,858,320	5,747,325	(50.27)	5,747,325	2,747,650
Printing and stationery	249,783	164,469	51.87	787,266	788,917	(0.21)	788,917	1,107,206
Insurance	602,975	723,666	(16.68)	5,172,625	3,877,650	33.40	3,877,650	4,122,883
Telephone and Courier Services	117,500	112,800	4.17	453,464	851,790	(46.76)	851,790	928,585
Entertainment	51,400	62,500	(17.76)	369,600	601,400	(38.54)	601,400	840,800
Internet expenses	398,610	732,000	(45.55)	2,754,910	2,304,875	19.53	2,304,875	689,500
Industrial Training Fund		-	-		877,497.00	-	877,497	1,064,015
Bank charges	467,114	183,057	155.17	1,211,842	1,138,407	6.45	1,138,407	2,698,248
Training expenses	280,000	40,000	600.00	1,548,700	835,000	85.47	835,000	440,000
Local content tax	481,839	620,613	(22.36)	2,277,341	3,664,385	(37.85)	3,664,385	6,079,505
Subscription	654,200	393,761	-	1,263,950	942,239	34.14	942,239	1,378,407
Meal expenses	763,640	783,500	(2.53)	3,176,790	3,197,400	(0.64)	3,197,400	2,539,900
Corporate social responsibility		-	-		1,040,000	-	1,040,000	150,000
Balances written off		-	-		3,000.00	-	3,000	3,286,338
Leave allowance	1,315,050	1,322,500	(0.56)	3,847,388	-	#DIV/0!	-	-
Advertisement		-	-	156,000	567,000	(72.49)	567,000	383,847
Bad debt written off		-	-		-	-	-	40,671
Auditors' remuneration	800,000	1,000,000	(20.00)	3,200,000	2,000,000	60.00	2,000,000	2,500,000
Provision for doubtful debts		-	-		5,687,639	-	5,687,639	13,089,410
Terminal Benefit	2,118,084	-	-	2,670,146	1,441,250	-	1,441,250	-
Office and general expenses	286,436	297,530	(3.73)	1,767,208	2,086,071	(15.29)	2,086,071	1,785,755
VAT		-	-		8,107,872	-	8,107,872	-
WHT		-	-		1,699,872.00	-	1,699,872	-
	40,443,125	16,343,274	147.46	105,547,463	86,022,639	22.70	86,022,639	88,538,219



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	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
12. Results from operating activities is stated after taking into account					
Director's emolument:					
- Fees	-	-	-	-	2,250,000
- Others	-	-	-	-	15,095,912
Depreciation and impairment loss	1,788,140	2,172,057	-	7,062,096	42,973,141
Auditors' remuneration	800,000	1,000,000	-	3,200,000	2,000,000
13. Finance cost					
This represents interests charged by Guaranty Trust Bank Plc and Wema					
Other financial charges	-	925,000	100.00	20,299,715	4,993,075
Interest on loans	10,586,302	-	100.00	11,223,889	925,000
	10,586,302	925,000	100.00	31,523,604	5,918,075
14. Taxation					
14.1 Income tax expense					
Company income tax	2,854,036	9,389,684	-	4,333,774	12,990,332
Education tax	190,269	625,979	-	999,180	2,752,934
	3,044,305	5,332,954	-	5,332,954	15,743,266
Prior year under-provision (note 14.2.1)	-	56,080,276		56,080,276	-
Current tax expense	3,044,305	61,413,230	-	61,413,230	15,743,266
Deferred tax (note 14.4)		16,728,133		16,728,133	37,808,446
	3,044,305	78,141,363		78,141,363	53,551,712
14.2 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	-	56,080,276	-
Payments during the year	-	(4,912,309)	(100.00)	(4,912,309)	(3,665,349)
Tax charge for the year	3,044,305	5,332,954	-	5,332,954	15,743,266
Withholding tax credit notes applied	(64,150,920)	(12,996,656)	-	(12,996,656)	(15,117,484)
At 31st December	-	61,106,615	(100.00)	61,106,615	17,602,350



14.2.1 Prior year under-provision

This represents tax liabilities arising from the tax audit carried out in 2020 by the Federal Inland Revenue Service on the accounts of 2012 - 2017.

14.3 Reconciliation of effective tax rate

(Loss)/profit for the year before tax	(87,087,883)	(5,683,148)	1,432.39	(5,683,148)	95,820,558
Income tax using the company's domestic tax rate of 30%	(26,126,365)	(1,704,944)	1,432.39	(1,704,944)	28,746,167
Education tax using tax rate of 2%	(1,741,758)	(113,663)	1,432.39	(113,663)	1,916,411
Tax effect on expenses not deductible for tax purposes	-	17,805,483	-	17,805,483	13,384,360
Tax effect on capital allowances	-	(9,991,797)	-	(9,991,797)	(27,529,336)
Tax effect on tax incentives	-	(662,125)	-	(662,125)	(774,336)
Under-provision in prior year	-	56,080,276	-	56,080,276	-
Income tax expense excluding deferred tax	(27,868,123)	61,413,230	(145.38)	61,413,230	15,743,267
Effective tax rate	0.32	(10.81)		(10.81)	16%

14.4 Deferred tax liabilities

At 1 January 2021	108,914,292	54,377,713	100.29	54,377,713	29,276,182
Movement in the period	-	37,808,446	-	37,808,446	25,101,531
	108,914,292	92,186,159	18.15	92,186,159	54,377,713
Deferred tax due to revaluation	-	16,728,133		16,728,133	37,808,446
At 31st December	108,914,292	108,914,292	-	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	43,600,000	43,600,000	-	43,600,000	43,600,000
Buildings	163,843,358	167,187,100	(2.00)	167,187,100	170,073,340
Plant and Machinery	623,400,862	633,125,255	(1.54)	633,125,255	638,135,241
Furniture and Fittings	755,736	2,361,230	(67.99)	2,361,230	3,617,574
Office & HSE Equipment	7,624,601	8,864,127	(13.98)	8,864,127	8,783,562
	839,224,556	855,137,712	(1.86)	855,137,712	864,209,717



DOCUMENT TITLE: 2021 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-COM-MNG -0026

REV NO.: 00

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021

15.2A FOR THE PERIOD ENDED 31ST DECEMBER 2021

	Land	Buildings	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
		N	N	N	N	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	-	-	22,821,720	130,000	530,000	23,481,720
At 31st December	43,600,000	167,187,100	655,946,975	2,491,230	9,394,127	878,619,432
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	-	(3,343,742)	(32,546,113)	(1,735,494)	(1,769,526)	(39,394,876)
At 31st December	-	(10,852,762)	(104,983,215)	(5,752,664)	(8,005,041)	(129,593,683)
Carrying amount						
At 31st December	43,600,000	163,843,358	623,400,862	755,736	7,624,601	839,224,556
At 31st December 2020	43,600,000	167,187,100	633,125,255	2,361,230	8,864,127	855,137,712



15.2 Analysis of Property, Plant and Equipment

	Land	Buildings N	Plant and N	Furniture and N	Office & HSE N	Total N
Deemed Cost						
At 1 January 2019	-	185,592,565	541,211,124	5,528,500	9,586,210	741,918,399
Revaluation surplus (note 15.3)	-	31,407,435	112,319,226	104,600	1,868,090	145,699,351
Adjustment	-	-	(3,150,000)	-	(977,500)	(4,127,500)
Reclassification	43,200,000	(43,200,000)	-	-	-	-
Additions in the year	400,000	298,400	25,811,191	-	1,694,292	28,203,883
Disposals	-	-	-	-	-	-
At 31 December 2019	43,600,000	174,098,400	676,191,541	5,633,100	12,171,092	911,694,133
Reclassification	-	-	-	(209,700)	209,700	-
Additions in the year	-	597,720	32,070,816	955,000	2,718,850	36,342,386
Disposals	-	-	(2,700,000)	-	-	(2,700,000)
	43,600,000	174,696,120	705,562,357	6,378,400	15,099,642	945,336,519
Accumulated Depreciation and impairment loss						
At 1 January 2019	-	9,401,754	68,663,901	3,524,162	4,495,131	86,084,948
Transfer to Revaluation Reserve	-	(8,853,689)	(64,171,626)	(3,386,148)	(3,279,693)	(79,691,156)
Charge for the year	-	3,476,995	33,564,025	1,877,512	2,172,092	41,090,624
Disposals	-	-	-	-	-	-
At 31 December 2019	-	4,025,060	38,056,300	2,015,526	3,387,530	47,484,416
Reclassification	-	-	-	(69,893)	69,893	-
Charge for the year	-	3,483,960	34,639,552	2,071,537	2,778,092	42,973,141
Disposals	-	-	(258,750)	-	-	(258,750)
At 31 December 2020	-	7,509,020	72,437,102	4,017,170	6,235,515	90,198,807
Carrying amount						
At 31 December 2020	43,600,000	167,187,100	633,125,255	2,361,230	8,864,127	855,137,712
At 31 December 2019	43,600,000	170,073,340	638,135,241	3,617,574	8,783,562	864,209,717

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
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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	HISTORICAL	CHANGE	2020	2019
	YTD 2021	YTD 2020			
	N	N	%	N	N
Cost of sales	32,332,779	34,639,551	(6.66)	34,639,551	33,564,025
Administrative	7,062,096	8,333,590	(15.26)	8,333,590	7,526,599
	39,394,875	42,973,141	(8.33)	42,973,141	41,090,624

15.6 Security

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

16. Inventories

Diesel	771,903	939,126	(17.81)	939,126	3,784,544
QHSE Consumables	4,261,507	980,389	334.68	980,389	1,423,270
Stationeries	212,651	224,092	(5.11)	224,092	254,204
Technical/Electrical items	4,575,718	2,895,340	58.04	2,895,340	2,571,100
Toiletries	6,052	76,664	100.00	76,664	30,800
	9,827,830	5,115,611	92.11	5,115,611	8,063,918

The value of inventories recognised as an expense during the period was N25.01 million (2020: N26.80 million).

No inventory was pledged as security during the year.

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



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS
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	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
17. Trade and other receivables					
Trade receivables (note 17.1)	161,840,292	118,774,639	36.26	118,774,639	135,472,885
Staff loans and advances (17.2)	631,215	979,466	(35.56)	979,466	912,598
Receivable due from related parties (note 17.3)	6,307,001	6,307,001	100.00	6,307,001	6,091,601
	168,778,507	126,061,106	33.89	126,061,106	142,477,084
17.1 Trade receivables					
Receivables from customers	161,840,292	144,809,054	11.76	144,809,054	155,819,661
Allowance for expected credit losses (note 17.1.1)	-	(26,034,415)		(26,034,415)	(20,346,776)
	161,840,292	118,774,639	36.26	118,774,639	135,472,885
Ageing of trade receivables					
Current					-
1 - 30 days past due	3,049,089	67,031,021	(95.45)	67,031,021	-
31 - 60 days past due	108,396,162	10,069,574	976.47	10,069,574	24,608,735
61 - 90 days past due	33,233,880	-	100.00	-	24,545,817
Over 90 days past due	17,161,160	67,708,459	(74.65)	67,708,459	106,665,109
	161,840,292	144,809,054	11.76	144,809,054	155,819,661
17.1.1 Movement in allowance for credit losses					
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
At 31st December 2021	26,034,415	20,346,776	27.95	26,034,415	20,346,776
17.2 Key management personnel and staff loans					
Loan to key management personnel	-	-	100.00	-	-
Staff loans and advances	631,215	982,466	(35.75)	982,466.00	953,269.00
Allowance for expected credit losses	-	(3,000)	-	(3,000.00)	(40,671.00)
	631,215	979,466	(35.56)	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 2021	YTD 2020	CHANGE	2020	2019
	N	N	%	N	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 year end.

Cash in hand	161,649	22,584	615.76	22,584	127,415
Cash at bank	651,433,021	4,650,839	13,906.78	5,349,659	10,294,267
	651,938,448	5,372,243	12,035.31	5,372,243	10,421,682
Apel Capital Investment note (note 18.1)	6,279,467	3,268,845	100.00	3,268,845	3,000,000
	658,217,915	8,641,088	7,517.30	8,641,088	13,421,682

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.

19 Current Tax Asset

At 1 January	125,401,944	116,863,352	7.31	116,863,352	97,218,003
Withholding tax in the period	6,598,932	21,535,248	(69.36)	21,535,248	34,762,833
Withholding tax utilised during the year	(53,920,901)	(12,996,656)	-	(12,996,656)	(15,117,484)
At 31st December 2021	78,079,975	125,401,944	(37.74)	125,401,944	116,863,352



THE INITIATES PLC
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19. Current tax assets

These represent withholding tax receivable as at year end.

	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
20. Other current assets					
Advance to third party	4,015,125	-	100.00	-	-
Prepaid expenses	14,206,490	13,981,405	1.61	13,981,405	4,264,376
	18,221,615	13,981,405	30.33	13,981,405	4,264,376
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
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
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 31st December 2021	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/2012/000000000254) 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.					
At 1 January	303,473,535	303,473,535	-	303,473,535	82,210,528
Revaluation surplus	-	-	-	-	221,263,007
At 31st December 2021	303,473,535	303,473,535	-	303,473,535	303,473,535



THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021

	ACTUAL	HISTORICAL			
	YTD 2021	YTD 2020	CHANGE	2020	2019
	N	N	%	N	N
24. Retained earnings					
At 1 January	77,564,598	161,389,109	(51.94)	161,389,109	163,619,341
Prior Year Adjustments (note 24.1)	-	-	#DIV/0!	-	-
Dividend paid	-	-	-	-	(44,499,078)
Profit for the year	(83,487,641)	(83,824,511)	(0.40)	(83,824,511)	42,268,846
At 31st December 2021	(5,923,043)	77,564,598	(107.64)	77,564,598	161,389,109
25. Trade and other payables					
Trade payables	28,063,077	28,954,232	(3.08)	28,954,232	34,092,049
Dividend payable (note 25.2)	7,152,043	3,872,576	84.68	3,872,576	3,603,731
Other payables	-	36,889.00	-	36,889	339,049
Accruals (note 25.1)	32,631,452	13,842,555	135.73	13,842,555	14,642,456
	67,846,572	46,706,252	45.26	46,706,252	52,677,285
25.1 Accruals					
Accrued Auditors Fees	3,200,000	2,000,000	60.00	2,000,000	2,500,000
Accrued Directors' Fees	65,000	2,315,000	(97.19)	2,315,000	2,315,000
Accrued Performance Bonus	1,009,937	1,009,937	-	1,009,937	1,009,937
Accrued Staff Salary	-	1,200,000	(100.00)	1,200,000	5,809
Accrued Consumables	17,249,446	-	100.00	-	-
Accrued Staff Salary	5,809	5,809	-	5,809	-
Accrued interest on BOI Loan	3,567,123	925,000	-	925,000	-
Accrued Security & Com Expense	7,534,136	5,186,810	45.26	5,186,810	690,710
At 31st December 2021	32,631,452	12,642,556	158.11	12,642,556	6,521,456



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	ACTUAL YTD 2021	HISTORICAL YTD 2020	CHANGE	2020	2019
	N	N	%	N	N
25.2 Dividend payable					
At 1 January	3,872,576	3,603,731	7.46	3,603,731	1,459,333
Unclaimed dividends	3,010,622	-	-	-	2,144,398
Interest on unclaimed dividends	268,845	268,845	-	268,845	-
Prior Year Dividends approved during the year (note 25.1.1)	-	-	-	-	44,499,078
Payments made during the year	-	-	-	-	(44,499,078)
At 31st December 2021	7,152,043	3,872,576	84.68	3,872,576	3,603,731
26. Provisions					
At 1 January	-	13,482,130	100.00	13,482,130	36,028,711
Provisions made in the year	-	-	-	-	22,000,000
Provisions used during the year	-	(13,482,130)	100.00	(13,482,130)	(44,546,581)
At 31st December 2021	-	-	-	-	13,482,130
27. Other current tax liabilities					
Pay As You Earn	633	126,585	(99.50)	126,585	971,713
Unearned Revenue	63,320,246	-	-	-	-
Withholding tax payable	23,769,593	18,925,110	25.60	18,925,110	12,242,787
Local Content Tax Liability	1,240,086	16,243,372	100.00	16,243,372	-
Value Added Tax - Suppliers	23,255,910	1,112,586	1,990.26	1,112,586	11,756,403
Value Added Tax - Customers	32,754,853	27,776,853	17.92	27,776,853	18,692,881
At 31st December 2021	144,341,320	64,184,506	124.88	64,184,506	43,663,784

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021**

	ACTUAL	HISTORICAL			
	YTD 2021	YTD 2020	CHANGE	2020	2019
	N	N	%	N	N
28. Employees' benefits					
Defined contribution plans (note 28.1)	926,945	2,618,292	(1.82)	2,618,292	2,055,001

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	2,618,292	2,055,001	27.41	2,055,001	118,248
Provision for the year	4,042,263	9,408,086	(57.03)	9,408,086	10,807,610
Payments made during the year	(5,733,610)	(8,844,795)	(35.18)	(8,844,795)	(8,870,857)
At 30th September 2021	926,945	2,618,292	(64.60)	2,618,292	2,055,001

29. Borrowings

At 1 January	17,000,000	-	100.00	-	-
Invoice Discounting Facility in the year	29,500,000	17,000,000	100.00	17,000,000	-
BOI/Providus Bank	700,000,000	-	-	-	-
Repayments in the year	(46,500,000)	-	100.00	-	-
At 31st December 2021	700,000,000	17,000,000		17,000,000	-

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST DECEMBER 2021**

	ACTUAL	HISTORICAL			
	YTD 2021	YTD 2020	CHANGE	2020	2019
	N	N	%	N	N
30. Information regarding directors and employees					
30.1. Directors					
Directors' emoluments comprises:					
Fees	-	-	-	2,250,000	2,250,000
Others - salaries and allowances	14,460,833	15,095,912	-	15,095,912	18,711,662
	14,460,833	15,095,912	-	17,345,912	20,961,662
Highest paid Director (Managing Director) - emolument	2,656,080	2,656,080	-	11,077,200	12,913,200
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:	Number	Number			Number
Below N3,000,000	-	-	-	-	-
N3,000,001 - N7,000,000	-	-	-	-	-
N7,000,001 and above	1	1	-	1	1
	1	1	-	1	1
30.2 Employees					Number
Average numbers of persons employed during the year:					
Management	9	11	(18.18)	11	10
Senior Staff	10	12	(16.67)	12	13
Junior Staff	26	26	-	26	28
	45	49	(8.16)	49	51
Aggregate payroll costs					N
Salaries and allowances	47,474,410	71,515,460	(33.62)	71,515,460	72,773,148
The number of employees in Nigeria with gross emoluments within the bands stated were:					Number
N100,000	3	3	-	3	15
N500,001	19	19	-	19	14
N1,000,001	11	13	(15.38)	13	9
N1,500,001	12	14	(14.29)	14	13
	45	49	(8.16)	49	51

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021****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 31st December 2021.

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	HISTORICAL		ACTUAL	HISTORICAL		2020	2019
	Q4 2021	Q4 2020	CHANGE	YTD 2021	YTD 2020	CHANGE	N	N
	N	N	%	N	N	%	N	N
Profit attributable to ordinary shareholders (in naira)	9,513,454	31,298,946	(69.60)	(87,087,883)	(5,683,148)	(100.00)	(5,683,148)	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	889,981,553	-	889,981,554	889,981,552
Basic earnings per 50 kobo share	1.07	3.52	(0.70)	(9.79)	(0.64)	#REF!	(0.64)	4.75



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OTHER NATIONAL DISCLOSURES



THE INITIATES PLC

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

	ACTUAL Q4 2021 N	HISTORICAL Q4 2020 N	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	2020 N	2019 N	%
Revenue from contracts with customers	175,825,992	114,857,802	358,200,311	469,379,791	469,379,792	550,218,779	
Other income	-	-	-	5,989,484	5,989,484	30,140,845	
	175,825,992	114,857,802	358,200,311	475,369,275	475,369,276	580,359,624	
Less: Bought in materials and services							
Imported	-	-	-	2,961,971	2,961,971	53,514,815	
Local	141,577,505	60,396,350	358,418,909	363,601,851	363,601,851	317,160,479	
Value added	34,248,487	54,461,452	(218,598)	108,805,453	108,805,454	209,684,330	100
Applied as follows:							
To pay employees' salaries wages and other benefits	14,731,751	12,180,237	47,474,410	71,515,460	71,515,460	72,773,148	35
To pay Government taxation	3,044,305	10,015,663	-	61,413,230	61,413,230	15,743,266	8
To provide for enhancement of assets and expansion:							
- deferred tax	-	-	-	16,728,133	16,728,134	37,808,446	18
- depreciation of fixed assets	10,003,282	10,982,269	39,394,875	42,973,141	42,973,141	41,090,624	20
- retained in the business	6,469,149	21,283,283	(87,087,883)	(83,824,511)	(83,824,511)	42,268,846	20
	34,248,487	54,461,452	(218,598)	108,805,453	108,805,454	209,684,330	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

	← 2020	2019	31 December 2018	2017	→ 2016
	N	N	N	N	N
Statement of Financial Position					
Assets employed					
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
Total Assets	1,144,338,866	1,149,300,129	1,129,484,260	1,143,774,673	859,267,167
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	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
Liabilities					
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
Total liabilities and equity	1,144,338,866	1,149,300,129	1,129,484,260	1,143,774,673	859,267,167
Statement of Profit or Loss and Other Comprehensive Income					
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	(83,824,511)	42,268,846	90,980,317	65,474,009	135,622,850
Other Comprehensive income					
Revaluation surplus on property, plant and equipment		221,263,007	-	-	-
Other comprehensive income for the year	-	221,263,007	-	-	-
Total comprehensive income for the year	(83,824,511)	263,531,853	90,980,317	65,474,009	135,622,850
(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.