

INDUSTRIAL AND MEDICAL GASES NIGERIA PLC

4TH QUARTER 2021 UNAUDITED INTERIM RESULTS

RC 2035

CONTENT PAGE

	Page
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Cash Flows	3
Statement of Changes in Equity	3
Notes to the financial statements	4-6

REPORT TO THE NIGERIAN STOCK EXCHANGE

Industrial & Medical Gases Nigeria plc Condensed statement of comprehensive income

	Notes	Unaudited Oct- Dec 2021	Unaudited Jan- Dec 2021 =N='000	Unaudited Oct- Dec 2020	Unaudited Jan- Dec 2020	Audited Jan- Dec 2020 =N='000
Revenue	15	941,598	3,699,230	822,983	3,170,245	3,171,173
Cost of sales		(410,950)	(1,715,005)	(405,229)	(1,634,001)	(1,656,802)
Gross profit		530,648	1,984,225	417,755	1,536,244	1,514,371
Other Income	16	8,523	28,528	7,654	53,060	61,399
Other expenses		(2,284)	(10,710)	(2,512)	(39,704)	(24,981)
Selling and Distribution Expenses	17	(158,061)	(634,999)	(121,675)	(521,816)	(509,537)
Administrative expenses		(207,288)	(706,054)	(185,205)	(664,299)	(648,895)
Operating profit		171,538	660,990	116,016	363,486	392,357
Finance income	18	20,308	58,012	9,407	79,588	85,643
Finance cost		(69,647)	(166,434)	(31,837)	(60,748)	(63,498)
Profit before income tax		122,199	552,567	93,586	382,326	414,502
Income tax (provision)		(76,744)	(184,742)	(22,878)	(117,325)	(122,395)
Net Profit for the 12 months		45,455	367,825	70,708	265,001	292,107

Other comprehensive income
Defined benefit plan actuarial gain
Tax on actuarial gain

641
(205)

Total comprehensive income for the 12 months	45,455	367,825	70,708	265,001	292,543
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Basic and diluted earnings per share (kobo)	11	88	17	64	70
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Industrial & Medical Gases Nigeria plc
Condensed statement of financial position

		Un audited	Audited
		Jan- Dec 2021	Jan-Dec 2020
		=N='000	=N='000
ASSETS			
Non current assets			
Property, plant and equipment	10	2,084,837	2,167,083
Intangibles		-	-
Right of Use Assets		-	80,293
Other tax assets		362,908	307,584
Prepayments and other assets		-	-
		<u>2,447,745</u>	<u>2,554,960</u>
Current assets			
Inventories	11	493,039	432,902
Trade debtors and other receivables		486,339	460,417
Prepayments and other assets		81,445	326,239
Cash and cash equivalents		2,017,284	1,643,352
		<u>3,078,106</u>	<u>2,862,910</u>
Total assets		<u>5,525,851</u>	<u>5,417,870</u>
Equity & liabilities			
Equity			
Share Capital		208,122	208,122
General reserve		2,840,322	2,671,118
Other reserves		436	436
Total Equity		<u>3,048,881</u>	<u>2,879,676</u>
Non current liabilities			
Employee benefit liability	12	18,663	18,663
Lease Liabilities		-	-
Deferred tax liabilities		480,656	480,659
		<u>499,319</u>	<u>499,322</u>
Current liabilities			
Current tax liabilities		240,965	140,499
Trade creditors		361,759	592,027
Other creditors & accruals	13	528,745	449,832
Lease Liabilities		-	103,818
Provision		56,764	56,764
Deferred revenue		137,502	97,180
Dividend payable		141,513	382,922
Amount due to related companies	14	510,403	215,830
		<u>1,977,652</u>	<u>2,038,872</u>
Total liabilities		<u>2,476,970</u>	<u>2,538,194</u>
Total equity and liabilities		<u>5,525,851</u>	<u>5,417,870</u>

Industrial & Medical Gases Nigeria plc
Condensed statement of cash flows

	Jan- Dec 2021 =N='000	Jan-Dec 2020 =N='000
Cash flows from operating activities		
Profit Before Income Tax	660,990	392,357
Adjustments for non-cash items:		
Depreciation	270,012	266,023
Profit from sales of fixed assets	(1,103)	(9,457)
Working capital changes:		
Inventories	(60,137)	(206,890)
Trade and other receivables	(81,246)	(141,278)
Trade and other payables	(230,268)	359,531
Related companies accounts	294,573	87,406
Prepayments	244,794	(24,153)
Other current liabilities	(122,173)	(450,883)
Right of use	80,293	120,758
Lease liabilities	(103,818)	-
Income tax paid	(84,279)	(109,772)
Net cash from operating activities	867,638	283,642
Cash flows from investing activities		
Purchase of fixed assets	(187,782)	(192,391)
Proceeds from sales of fixed assets	1,119	10,223
Interest received	58,012	85,643
Net cash from investing activities	(128,652)	(96,525)
Cash flows from financing activities		
Dividend paid	(208,122)	(26,480)
Unpaid dividend received	9,501	-
Interest expense	(166,434)	(21,563)
Net cash from financing activities	(365,055)	(48,043)
Net increase in cash and cash equivalent	373,931	139,074
Cash and cash equivalent at 1 January	1,643,352	1,504,278
Cash and cash equivalent at 31 December	2,017,283	1,643,352

Condensed statement of changes in equity

	Share capital =N='000	Retained earnings =N='000	Total equity =N='000
Balance at 1 January			
Balance at 1 January 2021	208,122	2,671,554	2,879,676
Profit for the period		-	-
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred		-	-
Dividends declared		-	-
Balance at 31 December 2021	208,122	2,671,554	2,879,676
Balance at 1 January 2020			
Balance at 1 January 2020	208,122	2,503,884	2,712,006
Profit for the period		-	-
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred		-	-
Dividends declared		(124,873)	(124,873)
Balance at 31 December 2020	208,122	2,379,011	2,587,133

Notes to the condensed financial statements

1. Statement of compliance

These condensed financial statements for the twelve months have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), the presentation as well as disclosure requirements of IAS 34 Interim Financial Reporting and the Company and Allied Matters Act as amended

1b. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Industrial & Medical Gases Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

2. Basis of preparation

The financial statements are prepared in thousands of Nigerian Naira on the historical cost basis

3. Accounting policies

The financial statements have been prepared applying the same accounting policies as used in the last audited financial statements for the year ended 31 December 2020

4. Unusual items

There were no unusual items within the period

5. Changes in estimates

There were no material changes in estimates made, between the last quarter interim report and the current report

6. Debt and equity transactions

A dividend of 50k per share on the issued share capital of 416,244,706 shares of 50k each was declared at the Annual General Meeting held in the second quarter. This translates to a total dividend of =N=208,122,353

7. Contingent liabilities

As at the date of publishing this report, there are no contingent liabilities against the company

8. Changes in the composition of the company

TY Holdings Limited bought the 60% interest in the equity of the company held by BOC Holdings Limited, UK making the total equity interest of TY Holdings Limited in the company to rise to 72%

9. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions - Transactions in foreign currencies are translated to Naira at the exchange rates at the dates of the transactions.

(b) Property, plant and equipment - Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

(c) Inventories - Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

(d) Employee Benefits - The Company has a defined contribution scheme for junior level employees, which is funded through fixed contributions made by the Company over the service life of the employees and charged accordingly as personnel expense in profit or loss. The company also has long service awards scheme instituted for all permanent employees.

(e) Revenue - Revenue is measured at the fair value of the consideration received or receivable, net of Value Added Tax, discounts allowed and rebates in the ordinary course of business.

(f) Operating profit - Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes

(g) Finance income comprises interest income on funds invested and net gains on foreign exchange differences. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance costs comprise unwinding of the discount on provisions and interest expenses on borrowings (except interest expenses that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets) and are recognised in profit or loss using the effective interest method

(h) Income tax - Income tax expense comprises current tax - company income tax and tertiary education tax, and deferred tax.

10. Property, Plant & Equipment

	Jan- Dec 2021 =N='000	Jan-Dec 2020 =N='000
Land	2,542	2,542
Buildings	99,430	102,888
Plant & machinery	1,043,721	1,199,679
Motor Vehicle	274,738	289,805
Furniture & fittings	11,427	21,153
Cylinders	322,500	305,592
WIP	330,479	245,424
	<u>2,084,837</u>	<u>2,167,083</u>

11. Inventories

Raw materials and consumables	175,913	186,107
Finished goods	317,053	174,252
Goods-in-transit	73	72,543
	<u>493,039</u>	<u>432,902</u>

12. Employee benefit liability

The long service award benefit plan	<u>18,663</u>	<u>18,663</u>
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13. Other creditors & accruals

VAT	13,993	15,877
Leave allowance payable	9,758	10,871
Professional fee payable	18,375	46,419
Other accrued expenses	212,793	95,448
PAYE	10,698	12,312
Pension	147	224
Cylinder deposits	281,645	268,681
	<u>547,408</u>	<u>449,832</u>

14. Group Current Account

IMG due to Linde group	-	215,830	(7,021.87)
IMG due to TY Holdings	510,403	-	
	<u>510,403</u>	<u>215,830</u>	

15. Revenue

	Oct- Dec 2021	Jan- Dec 2021	Oct- Dec 2020	Jan- Dec 2020	Jan- Dec 2020
Gas sales	904,194	3,507,527	770,588	2,974,514	2,931,841
Engineering services	3,234	45,365	8,036	65,609	109,209
Sales of gas equipment and delivery charges	34,170	146,338	44,359	130,122	130,123
	<u>941,598</u>	<u>3,699,230</u>	<u>822,983</u>	<u>3,170,245</u>	<u>3,171,173</u>

16. Other income

Income from hire of genset	7,205	25,398	5,894	43,603	42,673
Gain/(loss) on sale of property, plant and equipment	1,103	1,103	-	-	9,457
Gain on sale of scrap	215	2,027	1,760	9,457	9,269
	<u>8,523</u>	<u>28,528</u>	<u>7,654</u>	<u>53,060</u>	<u>61,399</u>

17. Selling & Distribution

Selling expenses	(60,434)	(220,359)	(36,418)	(217,346)	(214,524)
Distribution expenses	(97,412)	(412,614)	(83,497)	(295,013)	(295,013)
	<u>(157,846)</u>	<u>(632,972)</u>	<u>(119,915)</u>	<u>(512,359)</u>	<u>(509,537)</u>

18. Finance Income and finance cost

(a) Finance income comprises					
Interest income on bank deposits	20,308	58,012	9,407	79,588	85,643
Net gain on foreign exchange transactions	-	-	-	-	-
	<u>20,308</u>	<u>58,012</u>	<u>9,407</u>	<u>79,588</u>	<u>85,643</u>
(b) Finance expenses comprises					
Interest expense on lease liabilities	-	(4,782)	(3,827)	(21,563)	(21,563)
Net loss on foreign exchange transactions	(69,647)	(161,652)	(28,010)	(39,185)	(39,185)
Interest cost on employee benefit obligation	-	-	-	-	(2,750)
	<u>(69,647)</u>	<u>(166,434)</u>	<u>(31,837)</u>	<u>(60,748)</u>	<u>(63,498)</u>