

INDUSTRIAL AND MEDICAL GASES NIGERIA PLC

RC 2035

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REPORT TO THE NIGERIAN STOCK EXCHANGE

Industrial & Medical Gases Nigeria plc Condensed statement of comprehensive income

	Notes	Unaudited Oct - Dec. 2022 =N='000	Unaudited Jan - Dec. 2022 =N='000	Unaudited Oct - Dec. 2021	Audited Jan- Dec 2021 =N='000
Revenue	15	1,526,417	5,338,880	941,598	3,699,230
Cost of sales		(749,513)	(2,491,849)	(410,950)	(1,677,381)
Gross profit		776,904	2,847,031	530,648	2,021,849
Other Income	16	12,918	39,902	8,523	28,528
Other expenses		(4,398)	(15,361)	(2,284)	(10,774)
Selling and Distribution Expenses	17	(334,591)	(976,068)	(158,061)	(680,267)
Administrative expenses		(254,572)	(1,231,536)	(276,935)	(863,797)
Operating profit		196,261	663,968	101,891	495,539
Finance income	18	10,858	56,678	20,308	62,794
Finance cost		(30,038)	(30,038)	-	(6,137)
Profit before income tax		177,082	690,609	122,199	552,196
Income tax (provision)		(70,417)	(224,483)	(76,744)	(180,177)
Net Profit for the 12 months		106,665	466,126	45,455	372,019
Other comprehensive income					
Defined benefit plan actuarial gain		-	-	-	-
Tax on actuarial gain		-	-	-	-
Total comprehensive income for the 12 months		106,665	466,126	45,455	372,019
Basic and diluted earnings per share (kobo)		26	93	11	89

Industrial & Medical Gases Nigeria plc
Condensed statement of financial position

		Un audited Jan- Dec. 2022 =N='000	Audited Jan-Dec 2021 =N='000
ASSETS			
Non current assets			
Property, plant and equipment	10	2,288,881	2,084,838
Other tax assets		34,047	34,047
		2,322,928	2,118,885
Current assets			
Inventories	11	481,297	493,039
Trade debtors and other receivables		723,141	489,815
Prepayments		1,851,529	189,132
Other tax assets		267,760	287,856
Cash and cash equivalents		1,106,663	2,017,284
		4,430,390	3,477,126
Total assets		6,753,318	5,596,011
Equity & liabilities			
Equity			
Share Capital		249,747	208,122
General reserve		3,269,020	2,844,517
Other reserves		436	436
Total Equity		3,519,203	3,053,075
Non current liabilities			
Employee benefit liability	12	19,925	19,925
Deferred tax liabilities		391,659	391,659
		411,584	411,584
Current liabilities			
Current tax liabilities		379,603	325,394
Trade creditors		394,734	431,920
Other creditors & accruals	13	489,228	532,499
Bank overdraft		70,326	-
Loans and borrowings		1,110,207	-
Provision		86,764	56,764
Contract liability		135,474	141,038
Dividend payable		156,196	133,333
Amount due to related companies	14	-	510,404
		2,822,531	2,131,352
Total liabilities		3,234,115	2,542,936
Total equity and liabilities		6,753,318	5,596,011

This financial statements were approved by the Board of Directors on 27 January 2023 and signed on its behalf by:



Mr Ayodeji Oseni
 Managing Director
 FRC/2017/IODN/00000015942



Mr Adeshina Alayaki
 Finance Director
 FRC/2013/ICAN/00000000939

Industrial & Medical Gases Nigeria plc**Condensed statement of cash flows**

	Jan- Dec. 2022 =N='000	Jan-Dec 2021 =N='000
Cash flows from operating activities		
Profit Before Income Tax	663,968	495,539
Adjustments for non-cash items:		
Depreciation	290,669	270,012
Gain/loss from sales of fixed assets	28,846	(1,103)
Working capital changes:		
Inventories	11,742	(60,137)
Trade and other receivables	(213,231)	(43,716)
Trade and other payables	(37,186)	178,307
Related companies accounts	(510,404)	-
Prepayments	(1,662,397)	137,106
Other current liabilities	4,028	51,718
Right of use	-	80,293
Lease liabilities	-	(108,600)
Income tax paid	(170,273)	(84,278)
Net cash from operating activities	(1,594,237)	915,141
Cash flows from investing activities		
Purchase of fixed assets	(611,414)	(187,782)
Proceeds from sales of fixed assets	87,856	1,118
Interest received	56,678	62,794
Net cash from investing activities	(466,879)	(123,870)
Cash flows from financing activities		
Proceed from loans obtained	1,180,533	-
Dividend paid	-	(412,557)
Interest expense - lease	(30,038)	(4,782)
Net cash from financing activities	1,150,495	(417,339)
Net increase in cash and cash equivalent	(910,621)	373,932
Cash and cash equivalent at 1 January	2,017,284	1,643,352
Cash and cash equivalent at 31 December	1,106,663	2,017,284

Industrial & Medical Gases Nigeria plc
Condensed statement of changes in equity

	Share capital	Retained earnings	Total equity
	=N='000	=N='000	=N='000
Balance at 1 January			
Balance at 1 January 2022	208,122	2,844,953	3,053,075
Profit for the period		466,126	466,126
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred			-
Bonus shares declared	41,625	(41,625)	0
Balance at 31 December 2022	249,747	3,269,454	3,519,201
Balance at 1 January 2021	208,122	2,671,118	2,879,240
Profit for the period		372,019	372,019
Other Comprehensive Income- Actuarial gain		436	436
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred		9,502	9,502
Dividends paid/declared		(208,122)	(208,122)
Balance at 31 December 2021	208,122	2,844,953	3,053,075

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 2021

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

No dividend was proposed in the current year. However, a bonus issue of one (1) ordinary share for every five (5) shares held was recommended and approved at the Annual General Meeting held in the second quarter. This translated to an additional 83,248,941 ordinary shares.

7. Pending litigation and claims

As at the date of publishing this report, there is a contingent liability of N113m against the company. Meanwhile a provision of N30m has been made as possible out of court settlement as advised by the court

8. Changes in the composition of the company

In August 2021, TY Holdings Limited bought the 60% equity of the company held previously owned 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. 2022 =N='000	Jan-Dec 2021 =N='000		
Land	2,542	2,542		
Buildings	108,310	98,431		
Plant & machinery	1,147,161	1,043,722		
Motor Vehicle	311,417	274,736		
Furniture & fittings	12,349	11,427		
Cylinders	346,350	322,500		
WIP	360,752	330,480		
	<u>2,288,881</u>	<u>2,084,838</u>		
11. Inventories				
Raw materials and consumables	144,914	194,278		
Finished goods	329,467	298,688		
Goods-in-transit	6,916	73		
	<u>481,297</u>	<u>493,039</u>		
12. Employee benefit liability				
The long service award benefit plan	19,925	19,925		
13. Other creditors & accruals				
VAT	10,722	13,992		
Leave allowance payable	9,758	9,758		
Professional fee payable	18,550	18,375		
Other accrued expenses	199,518	197,108		
PAYE	6,754	10,698		
Pension	23	147		
Cylinder deposits	243,903	282,421		
	<u>489,228</u>	<u>532,499</u>		
14. Group Current Account				
IMG due to TY Holdings	-	510,404		
	<u>-</u>	<u>510,404</u>		
15. Revenue	Oct - Dec. 2022	Jan - Dec. 2022	Oct - Dec. 2021	Jan-Dec 2021
Gas sales	1,446,933	5,056,067	904,194	3,482,130
Engineering services	23,338	61,676	3,234	70,762
Sales of gas equipment and delivery charges	56,145	221,137	34,170	146,338
	<u>1,526,417</u>	<u>5,338,880</u>	<u>941,598</u>	<u>3,699,230</u>
16. Other income				
Income from hire of genset	12,227	40,150	7,205	25,398
Gain/(loss) on sale of property, plant and equipment	-	(1,343)	1,103	1,103
Gain on sale of scrap	691	1,095	215	2,027
	<u>12,918</u>	<u>39,902</u>	<u>8,523</u>	<u>28,528</u>
17. Selling & Distribution				
Selling expenses	(36,228)	(224,168)	(60,434)	(220,359)
Distribution expenses	(297,672)	(750,804)	(97,412)	(459,908)
	<u>(333,899)</u>	<u>(974,972)</u>	<u>(157,846)</u>	<u>(680,267)</u>
18. Finance Income and finance cost				
(a) Finance income comprises				
Interest income on bank deposits	10,858	56,678	20,308	62,794
Net gain on foreign exchange transactions	-	-	-	-
	<u>10,858</u>	<u>56,678</u>	<u>20,308</u>	<u>62,794</u>
(b) Finance expenses comprises				
Interest expense on borrowings	(30,038)	(30,038)	-	(4,782)
Net loss on foreign exchange transactions	-	-	-	-
Interest cost on employee benefit obligation	-	-	-	(1,355)
	<u>(30,038)</u>	<u>(30,038)</u>	<u>-</u>	<u>(6,137)</u>