

2021

THE INITIATES PLC MANAGEMENT ACCOUNT
FOR PERIOD ENDED 30TH JUNE 2021



TIP Commercial

THE INITIATES PLC.

7/10/2021



DOCUMENT TITLE: 2021 SECOND 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 period ended 30th June 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 June 2021 were approved by directors on 29th July, 2021.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Joe Ogbonna Anosikeh
Chairman

FRC No:FRC/2014/NIS/00000008836

Mr. Reuben Mustapha Ossai
Managing Director

FRC No:FRC/2014/NIAECHI/00000009687



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**CERTIFICATE OF COMPLIANCE OF THE INITIATES PLC PURSUANT TO
SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT, 2007 FOR THE
SECOND QUARTER ENDED 30TH JUNE 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 30TH JUNE 2021

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: DECEMBER REPORTING PERIOD
HALF YEAR: 30TH JUNE 2021
SHARE PRICE AT END OF REPORTING PERIOD: N0.47 (2020: N0.50)

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	332,174,967	36.91
OSSAI REUBEN M	190,695,237	21.19	190,695,237	21.19
AFOLAYAN SAMUEL	65,453,152	7.27	65,453,152	7.27
OBOH-OZHEREBE GORDON	58,568,412	6.51	58,568,412	6.51
Total Substantial Shareholdings	637,545,623	70.84	646,891,768	71.88
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	34,550,000	3.84
OBOH CHARLES AROAWODE	1,000,000	0.11	1,000,000	0.11
Total Directors' Shareholdings	59,972,557	6.66	54,972,557	6.11
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	197,049,538	21.89	192,703,393	21.41
Free Float in Value	N92,613,282.86		N90,570,594.71	

(A) THE INITIATES Plc with a free float percentage of 21.89% as at 30 June 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 percentage of 21.41% as at 30 June 2020, 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 2021 and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the second quarter account ended 30th June 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 second quarter account ended 30th June 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 second quarter ended 30th June 2021 was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 22nd July 2021

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



EXECUTIVE SUMMARY:

1.1 SECOND QUARTER (APRIL - JUNE 2021)

1.1.1 REVENUE

TIP reported a total revenue of NGN65.78M (2020: N80.6M) for the second quarter representing a 18.39% drop when compared Q2 of 2020. The makeup of this revenue along core business lines shows a significant contribution from Waste Management Service - N54.7M, (E-waste) – N10.9M and ICS – 0.2M

1.1.2 GROSS PROFIT

TIP posted a Gross Profit of N20.8M, (2020 – N22.6M) which represent a drop of 7.69% compared to Q2 of 2020. **DC:** 2021 – N44.9M (80% of revenue) 2020 – N58.0M representing a decrease in Direct Cost by 22.56% over Q2 of 2020.

1.1.3 NET PROFIT:

TIP posted a net loss before tax of N31M (2020 - N10.5). Representing about 3 times the loss of 2020.

1.2 YEAR TO DATE (JAN- JUNE 2021)

1.2.1 REVENUE: 2021 – NGN120.2M, 2020 – NGN241.3M shows a drop of 51.2%.

1.2.2 DIRECT COST: 2021 – N96.1M, 2020 – N183.M shows a drop in Direct cost by and 47.6%

1.2.3 GROSS PROFIT: 2021 – N24.2M, 2020 – N62.9M representing 61.6% drop when compared with YTD of 2020.

1.2.4 NET LOSS BEFORE TAX: 2021 – N61.1M, 2020 – N9.04M, showing an increase in loss by 575%.



BALANCE SHEET

2.0 BALANCE SHEET

TIP Balance Sheet values shows NGN1.045 Billion during the period under review from NGN1.144 as at 31st December 2020.

- 1. Trade Receivables:** This stood at N14.5M at the close of business (COB) on 30th June 2021 (December 31st 2020: N126.5M). Out of this, only NGN0.3M was above 90 days.
- 2. Trade Payable:** TIP Account Payable dropped to NGN41.3M as at 30th June 2021 as against NGN46.5M reported as at 31st December, 2020.

3. Measurement of Liquidity

When TIP's Current Assets of N181.6M is charged against Current Liabilities of NGN262.6m, a Current Ratio of about 0.70:1 is reported. This however shows a negative liquidity situation meaning that TIP's current assets that can be quickly converted into liquid cash will not be enough to meet immediate payable obligations.

THE Reason for this performance is the slow post-Covid19 economic recovery. However, going by the level of bided jobs and available opportunities, Q3 and Q4 results might likely be better as the Management and Board are hopeful that this precarious situation will certainly change as we expect to execute at least two projected and signed contracts and also market new clients.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2021.

STATEMENT OF COMPREHENSIVE INCOME						
<i>FOR THE PERIOD ENDED 30TH JUNE</i>				<i>SIX MONTHS ENDED JUNE 30TH</i>		
	ACTUAL	HISTORICAL	CHANGE	ACTUAL	HISTORICAL	
	Q2 2021	Q2 2020	%	YTD 2021	YTD 2020	CHANGE
	N'Mn	N'Mn		N'Mn	N'Mn	%
Revenue	65.78	80.60	(18.39)	120.23	246.35	(51.20)
Direct cost	44.90	57.99	(22.56)	96.07	183.36	(47.61)
Gross Profit	20.87	22.61	(7.69)	24.16	62.99	(61.64)
Other Income	0.05	0.08	(43.44)	0.30	2.27	(86.74)
Total Indirect Cost	47.83	33.19	44.08	75.87	74.30	2.11
Financial Cost	(3.61)	-	100.00	(9.66)	-	100.00
Profit Before Tax	(23.29)	(10.49)	121.94	(41.75)	(9.04)	361.95
Provision of Income Tax Expense	-	-	-	-	-	-
Profit for the period	(30.52)	(10.49)	190.79	(61.07)	(9.04)	575.73
				-		

STATEMENT OF FINANCIAL POSITION			
<i>AS AT 30TH JUNE</i>			
	YTD 2020	YTD 2020	CHANGE
ASSETS	N'Mn	N'Mn	%
Non-Current Assets			
Property, plant and Equipment	853.74	875.45	(2.48)
Other non-current assets	10.00	-	100.00
Total Non-Current Assets	863.74	875.45	(1.34)
Current Assets			
Inventories	8.22	6.81	20.63
Trade receivables	14.51	123.15	(88.22)
Cash and cash equivalents	17.60	5.19	239.13
Current tax assets	133.81	116.18	15.18
Other current tax assets	7.46	3.95	89.15
Total current Asset	181.60	255.27	(28.86)
Total Assets	1,045.34	1,130.72	(7.55)
Non-Current Liabilities			
Deferred tax	108.91	70.06	55.46
Current Liabilities			
Trade and Other payables	41.34	92.18	(55.15)
Provisions	-	-	-
Current tax liabilities	46.01	27.35	68.23
Other current tax liabilities	64.43	50.03	28.80
Employees' benefits	1.90	3.50	(45.74)
Short term borrowings	-	-	-
Total current liabilities	153.68	173.05	(11.19)
Total Liabilities	262.60	243.11	8.01
Working Capital	(81.00)	12.16	(766.14)
Net Asset	782.74	887.61	(11.81)

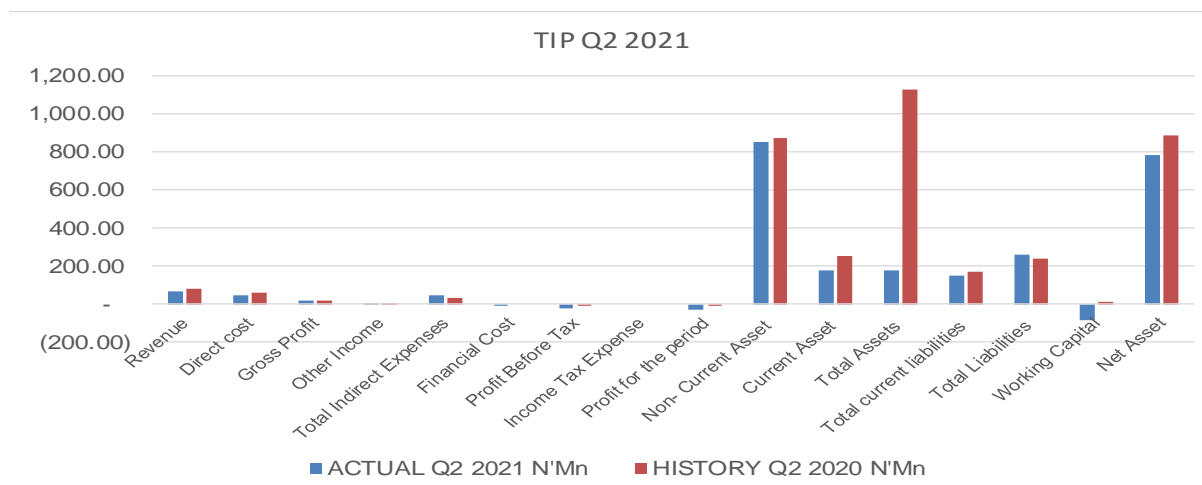


DOCUMENT TITLE: 2021 SECOND QUARTER MANAGEMENT ACCOUNT

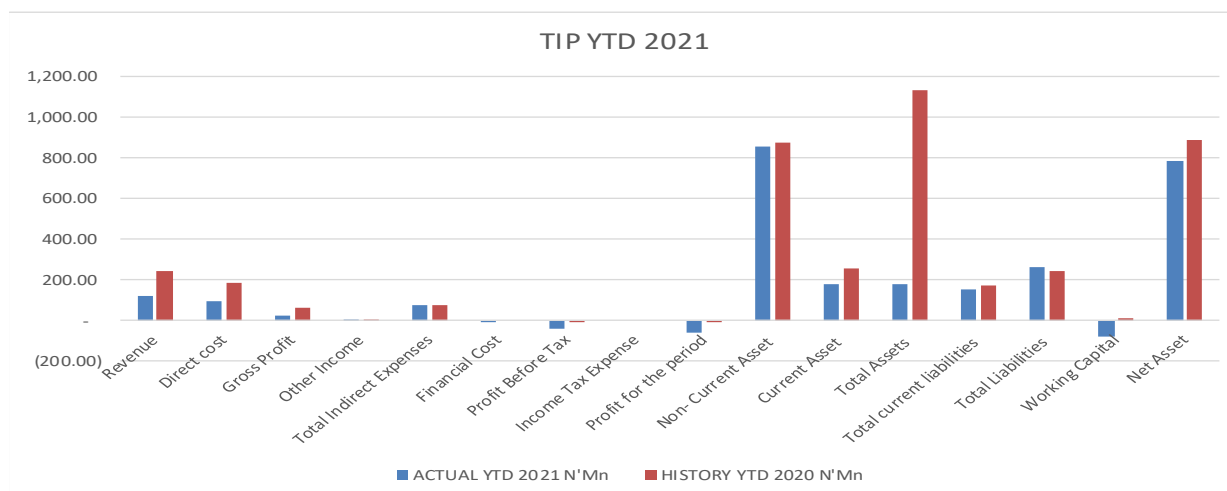
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KEY RATIOS				
THREE MONTHS ENDED 30TH JUNE			SIX MONTHS ENDED JUNE 30TH	
	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Earnings Per Share	(0.03) Kobo	(0.01) Kobo	0.07 Kobo	(0.01) kobo
Gross Profit Margin	31.73%	28.06%	20.09%	25.57%
Net Profit Margin	-40.39%	-13.02%	-50.79%	3.67%
Net Asset Per Shares	0.88 Kobo	1.00 Kobo	0.88 kobo	1.00 Kobo
Return on Capital Employed	-3.42%	-1.10%	6.85%	-0.94%
Current Ratios	1.18 x	1.48x	1.18 x	1.48%
Net Working Capital:	0.42 x	1.02x	0.23x	0.33x
Fixed Asset Turnover:	0.08 x	0.09x	0.14x	0.28x
Receivables Turnover	9.07 x	1.31 x	16.58x	4.00x
Payables Turnover	(4.49) x	(1.98) x	(8.32) x	(5.59) x
Return On Equity	-0.04%	0.01%	(0.08) x	(0.01) x
Return On Assets	0.06%	0.07%	0.12%	0.22%
Price Earning per Share	14.58 Kobo	(42.40) Kobo	(7.29) Kobo	49.24Kobo
	0.34%	0.27%	0.34%	0.27%



Graphical representation of TIP's SECOND QUARTER 2021 performance



Graphical representation of TIP's HALF YEAR 2021 performance



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THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2021

		ACTUAL Q2 2021 N	HISTORICAL Q2 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Continuing Operations	Notes								
Revenue from contracts with customers	6	65,777,798	80,601,803	(18.39)	120,232,622	246,353,471	(51.20)	469,379,791	550,218,779
Cost of sales	7	44,903,398	57,987,390	(22.56)	96,072,104	183,363,401	(47.61)	324,980,699	(285,547,369)
Gross profit		20,874,399	22,614,413	(7.69)	24,160,518	62,990,070	(61.64)	144,399,092	264,671,410
Other income	6a	47,700	84,336	(43.44)	301,597	2,274,745	(86.74)	5,989,484	30,140,845
Staff costs	8	10,968,945	15,095,231	(27.34)	21,458,277	31,861,656	(32.65)	55,797,420	(72,773,148)
Depreciation and impairment loss	9	1,780,862	2,134,778	(16.58)	3,494,650	4,117,342	(15.12)	8,333,590	(7,526,599)
Administrative expenses	10	35,075,485	15,962,877	119.73	50,919,642	38,323,577	32.87	86,022,639	(88,538,219)
Other expenses	11	-	-	-	-	-	-	-	-
Total Indirect Cost		47,825,292	33,192,885	44.08	75,872,570	74,302,575	2.11	150,153,649	(168,837,966)
Results from operating activities		(26,903,193)	-	156.36	(51,410,454)	(9,037,761)	468.84	234,927	125,974,289
Finance cost	13	3,612,220	-	100.00	9,660,590	-	100.00	5,918,075	(30,153,731)
Profit before tax		(30,515,412)	(10,494,136)	190.79	(61,071,044)	(9,037,761)	575.73	(5,683,148)	95,820,558
Provision for Income tax expense	14.1	-	-	-	-	-	-	(78,141,363)	(53,551,712)
Profit for the Period		(30,515,412)	(10,494,136)	190.79	(61,071,044)	(9,037,761)	575.73	(83,824,511)	42,268,846
Other Comprehensive income									
Foreign currency translation difference	6b	-	-	-	-	-	-	-	-
Revaluation surplus on property, plant and equipment	23.3	-	-	-	-	-	-	-	221,263,007
Other comprehensive income for the year		-	-	-	-	-	-	-	221,263,007
Total comprehensive income for the year		(30,515,412)	(10,494,136)	190.79	(61,071,044)	(9,037,761)	575.73	(83,824,511)	263,531,853
Basic earnings per share (kobo)	37	(0.03)	(0.01)	190.79	(0.07)	-	0.01	(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 30TH JUNE 2021**

	Note	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Assets						
Non-current assets						
Property, plant and equipment	15	853,736,526	875,448,379	(2.48)	855,137,712	864,209,717
Other non-current assets		10,000,000	-	100.00	10,000,000	-
Current assets						
Inventories	16	8,219,142	6,813,392	20.63	5,115,611	8,063,918
Trade and other receivables	17	14,506,596	123,145,456	(88.22)	126,061,106	142,477,084
Cash and cash equivalents	18	17,600,391	5,189,891	239.13	8,641,088	13,421,682
Current tax assets	19	133,809,441	116,177,270	15.18	125,401,944	116,863,352
Other current assets	20	7,463,703	3,945,947	89.15	13,981,405	4,264,376
Total current assets		181,599,273	255,271,956	(28.86)	279,201,154	285,090,412
Total Assets		1,045,335,799	1,130,720,335	(7.55)	1,144,338,866	1,149,300,129
Equity and Liabilities						
Equity						
Share capital	21	444,990,776	444,990,776	-	444,990,776.00	444,990,776
Share premium	22	17,780,000	17,780,000	-	17,780,000.00	17,780,000
Revaluation reserve	23	303,473,535	303,473,535	-	303,473,535.00	303,473,535
Retained earnings	24	16,493,554	121,363,553	(86.41)	77,564,598.35	161,389,109
Total equity		782,737,865	887,607,864	(11.81)	843,808,909	927,633,420
Non-current liabilities						
Deferred tax liabilities	14.4	108,914,292	70,059,859	55.46	108,914,292	92,186,159
Current liabilities						
Trade and other payables	25	41,340,818	92,177,776	(55.15)	46,706,252	52,677,285
Provisions	26	-	-	-	-	13,482,130
Current tax liabilities	14	46,010,469	27,349,301	68.23	61,106,615	17,602,350
Other current tax liabilities	27	64,434,387	50,027,896	28.80	64,184,506	43,663,784
Employees' benefits	28	1,897,968	3,497,640	(45.74)	2,618,292	2,055,001
Borrowings	29	-	-	-	17,000,000	-
Total current liabilities		153,683,642	173,052,612	(11.19)	191,615,665	129,480,550
Total liabilities		262,597,934	243,112,471	8.01	300,529,957	221,666,709
Total equity and liabilities		1,045,335,799	1,130,720,335	(7.55)	1,144,338,866	1,149,300,129

These financial statements were approved by the Board of Directors on 29th July, 2021 and signed on its behalf by:

Mr. Joe Ogbonna Anosikeh
Chairman
FRC No:FRC/2014/NIS/00000008836

Mr. Reuben Mustapha Ossai
Managing Director
FRC No:FRC/2014/NIAECHI/00000009687

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

The notes on pages 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 30TH JUNE 2021

	Share Capital N	Share Premium N	Revaluati 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				- (61,071,044)	(61,071,044)
At 30th June	444,990,776	17,780,000	303,473,535	16,493,554	782,737,865

FOR THE PERIOD ENDED 30TH JUNE 2020

	Share Capital N	Share Premium N	Revaluati Reserve N	Retained Earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	163,619,341	929,863,652
Prior year adjustments	-	-	-	(33,218,028)	(33,218,028)
Dividend paid	-	-	-	-	-
Profit for the year	-	-	-	(9,037,761)	(9,037,761)
At 30th June	444,990,776	17,780,000	303,473,535	121,363,553	887,607,864



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THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

	ACTUAL Q2 2021 N	HISTORICAL Q2 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Cashflows from Operations	124,327,984	101,863,437	22.05	189,500,156	176,502,491	7.36	223,837,076	666,627,337
Cash Paid to Suppliers	(64,891,685)	(59,125,279)	9.75	(114,051,800)	(132,886,159)	(14.17)	(126,002,989)	(406,192,819)
Cash Paid to Employees	(10,968,945)	(15,095,231)	(27.34)	(21,458,277)	(31,861,656)	(32.65)	(71,515,460)	(72,773,148)
Finance Cost	(3,612,220)	-	100.00	(9,660,590)	-	100.00	(5,918,075)	(30,153,731)
Paid to Government (taxes)	-	27,349,301	100.00	-	27,349,301	-	(4,912,309)	(3,665,349)
Total	44,855,134	54,992,228	(18.43)	44,329,488	39,103,977	13.36	15,488,243	153,842,291
Cashflow from Investment Activities								
Capex	(6,587,980)	(32,504,169)	(79.73)	(17,806,572)	(32,504,168)	(45.22)	(36,342,386)	(28,203,883)
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-	1,000,000	-
Interest received	-	28,427	(100.00)	47,700	239,519	(80.09)	100,844	1,236,417
Total	(6,587,980)	(32,475,742)	(79.71)	(17,758,872)	(32,264,649)	(44.96)	(35,241,542)	(26,967,466)
Cashflow from Financing Activities								
Loans obtained	-	-	-	29,500,000	-	-	17,000,000	103,340,360
Repayment of loans	(28,694,015)	-	(100.00)	(46,500,000)	-	100.00	-	(253,494,091)
Unclaimed dividend returned	3,010,622	-	-	3,010,622	-	100.00	-	2,144,398
Dividend paid	-	-	-	-	-	(100.00)	-	(44,499,078)
Total	(25,683,393)	-	-	(13,989,378)	-	100.00	11,350,770	(192,508,411)
Net Cash Flow	12,583,761	22,516,486	(44.11)	12,581,238	6,839,328	83.95	(8,402,529)	(65,633,586)
Opening Balance	5,016,630	10,392,065	(51.73)	5,019,153	13,421,682	(62.60)	13,421,682	79,055,268
Closing Balance	17,600,391	32,908,551	(46.52)	17,600,391	20,261,010	(13.13)	5,019,153	13,421,682

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

	ACTUAL Q2 2021 N	HISTORICAL Q2 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
6. Revenue from contracts with customers	65,777,798	80,601,803	(18.39)	120,232,622	246,353,471	(51.20)	469,379,791	550,218,779
The revenue from contracts with customers is made up of:								
Industrial cleaning services	238,688	9,118,666	(97.38)	8,683,858	21,949,396	(60.44)	34,091,612	191,530,969
E-waste services	10,856,620	659,000	1,547.44	31,219,614	2,683,000	1,063.61	131,449,030	3,976,500
Waste management services	54,682,490	70,824,136	(22.79)	80,329,150	221,721,074	(63.77)	303,839,149	354,711,310
	65,777,798	80,601,803	(18.39)	120,232,622	246,353,471	(51.20)	469,379,791	550,218,779
6a. Other income								
Equipment rental	47,700	-	-	-	-	-	-	1,510,000
Interest received	-	28,427	(100.00)	47,700	239,519	(80.09)	100,844	1,236,417
Foreign exchange gains (note 6b)	-	-	-	125,173	1,695,746	(92.62)	5,802,191	27,334,790
Sundry income	-	55,909	-	128,725	339,480	(62.08)	86,449	59,638
	47,700	84,336	(43.44)	301,597	2,274,745	(86.74)	5,989,484	30,140,845
6b 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 year		186,304	(100.00)	125,173	1,695,746		4,534,337	27,334,790
Gains from translation of foreign currency balances at year end		-	-	-	-		1,267,854	-
Foreign exchange gains	-	186,304	(100.00)	125,173	1,695,746	(92.62)	5,802,191	27,334,790



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7. Cost of sales

Waste Collection and Haulage	10,408,688	29,962,326	(65.26)	19,476,188	103,036,622	(81.10)	162,535,799	130,721,110
Waste Disposal	807,275	972,750	(17.01)	2,311,206	2,430,750	(4.92)	3,353,745	4,590,456
Hiring of equipment	272,000	464,152	(41.40)	9,426,415	3,716,486	153.64	11,073,451	19,148,768
Diesel and lubricants	669,895	668,800	0.16	1,754,953	1,747,675	0.42	1,349,474	11,216,472
Repairs and Maintenance	2,752,820	5,835,130	(52.82)	4,697,438	12,556,870	(62.59)	14,981,953	17,798,973
Employee costs (note 10)	5,846,642	4,561,485	28.17	10,250,642	7,115,576	259.63	15,718,040	12,586,914
Transport and travelling	7,000	43,100	(83.76)	612,858	2,850,343	(97.14)	2,979,946	4,340,137
Consumables	903,675	243,250	271.50	1,809,488	21,408,540	(89.45)	21,836,597	28,680,185
Depreciation (note 15)	8,170,850	8,663,260	(5.68)	15,978,108	17,148,163	317.02	34,639,551	33,564,025
Direct wages	578,380	1,612,500	(64.13)	5,408,193	3,831,464	106.10	8,351,987	11,750,880
Community relations and security	6,463,368	2,546,112	153.85	13,636,795	2,624,112	811.22	30,341,980	7,163,884
Compliance	3,344,000	478,395	599.00	3,666,500	1,496,540	7.83	15,114,981	8,442,699
Other direct costs	4,678,806	1,936,130	141.66	7,043,324	3,400,259	(96.16)	2,703,195	8,129,780
	44,903,398	57,987,390	(22.56)	96,072,104	183,363,401	(47.61)	324,980,699	298,134,283

Business Development	727,413	27,000	2,594.12	1,436,213	621,746	131.00	2,021,445	2,295,635
QHSE	3,057,894	1,533,130	99.45	3,953,112	1,862,852	112.21	361,750.00	3,532,125
Permits	893,500	376,000	137.63	1,654,000	915,661	80.63	320,000.00	2,302,020
	4,678,806	1,936,130	141.66	7,043,324	3,400,259	107.14	2,703,195	8,129,780

8. Staff costs

Salaries and allowances	9,036,205	12,228,307	(26.10)	17,515,580	24,985,569	(29.90)	59,549,009	59,443,411
Employer's pension contribution	960,075	1,476,875	(34.99)	1,936,810	3,002,413	(35.49)	5,121,718	5,533,500
Staff welfare	50,000	250,125	(80.01)	97,250	1,000,125	(90.28)	1,810,039	2,388,736
Medical expenses	922,665	1,139,923	(19.06)	1,908,638	2,873,549	(33.58)	5,034,694	5,407,501
	10,968,945	15,095,231	(27.34)	21,458,277	31,861,656	(32.65)	71,515,460	72,773,148



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	ACTUAL Q2 2021 N	HISTORICAL Q2 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
9. Depreciation and impairment loss								
Depreciation	1,780,862	2,134,778	(16.58)	3,494,650	4,117,342	(15.12)	8,333,590	7,526,599
10. Administrative expenses								
Directors' Remuneration	2,656,080	3,060,000	(13.20)	5,312,160	6,120,000	(13.20)	11,077,200	12,913,200
Directors' allowances and expenses	2,608,513	750,000	247.80	3,162,513	775,000	308.07	4,018,712	5,798,462
Directors' fees	-	-	-	-	-	-	2,250,000	2,250,000
Transport and travelling expenses	459,400	238,960	92.25	957,603	1,290,204	(25.78)	2,333,019	4,012,670
Professional fees	16,446,479	274,963	5,881.35	17,364,612	1,547,715	1,021.95	7,389,232	5,247,574
Electricity (PHCN)	614,270	400,733	53.29	1,052,395	915,459	14.96	1,592,830	676,837
Fuel and diesel	864,590	1,181,924	(26.85)	2,453,250	3,400,412	(27.85)	5,574,919	9,209,331
Licenses/Permits and levies	236,000	613,673	(61.54)	879,600	1,238,469	(28.98)	1,306,468	1,821,925
Occupancy Cost	404,563	386,982	100.00	1,011,407	386,982	100.00	1,600,670	-
Donation & Gift	350,000	-	-	360,000	1,120,000	-	1,420,000	735,500
Repairs and maintenance	894,300	1,427,473	(37.35)	1,585,430	4,543,525	(65.11)	5,747,325	2,747,650
Printing and stationery	221,809	117,674	88.50	437,522	314,671	39.04	788,917	1,107,206
Insurance	2,967,215	1,856,247	59.85	3,828,294	3,400,962	12.57	3,877,650	4,122,883
Telephone and Courier Services	117,500	186,400	(36.96)	205,164	323,100	(36.50)	851,790	928,585
Entertainment	71,350	88,500	(19.38)	226,000	414,650	(45.50)	601,400	840,800
Internet expenses	1,185,950	449,200	164.01	1,591,800	1,446,785	10.02	2,304,875	689,500
Industrial Training Fund	-	-	-	-	-	-	877,497	1,064,015
Bank charges	319,807	176,476	81.22	592,419	1,152,104	(48.58)	1,138,407	2,698,248
Training expenses	250,500	215,000	16.51	1,150,500	525,000	119.14	835,000	440,000
Local content tax	1,308,876	790,954	65.48	1,562,603	1,763,509	(11.39)	3,664,385	6,079,505
Subscription	230,000	20,000	1,050.00	358,750	548,478	(34.59)	942,239	1,378,407
Meal expenses	801,050	948,650	(15.56)	1,562,750	1,558,166	0.29	3,197,400	2,539,900
Corporate social responsibility	-	-	-	-	40,000	-	1,040,000	150,000
Balances written off	-	-	-	-	-	-	3,000	3,286,338
Leave allowance	631,538	455,400	38.68	1,872,338	1,070,850	74.85	-	-
Advertisement	-	-	-	-	567,000	(100.00)	567,000	383,847
Bad debt written off	-	-	-	-	-	-	-	40,671
Auditors' remuneration	800,000	1,500,000	(46.67)	1,600,000	2,000,000	(20.00)	2,000,000	2,500,000
Provision for doubtful debts	-	-	-	-	-	-	5,687,639	13,089,410
Terminal Benefit	-	-	-	552,062	-	-	1,441,250	-
Office and general expenses	635,696	823,669	(22.82)	1,240,472	1,860,538	(33.33)	2,086,071	1,785,755
VAT	-	-	-	-	-	-	8,107,872	-
WHT	-	-	-	-	-	-	1,699,872	-
	35,075,485	15,962,877	119.73	50,919,642	38,323,577	32.87	86,022,639	88,538,219



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12. Results from operating activities is stated

Director's emolument:

- Fees	-	-	-	-	-	-	2,250,000	2,250,000
- Others	-	-	-	-	-	-	15,095,912	18,711,662
Depreciation and impairment loss	1,780,862	2,134,778	-	3,494,650	4,117,342	(15.12)	42,973,141	41,090,624
Auditors' remuneration	800,000	1,500,000	-	1,600,000	2,000,000	(20.00)	2,000,000	2,500,000

13. Finance cost

This represents interests charged by

Other financial charges	176,706	-	100.00	3,698,889	-	100.00	4,993,075	5,296,549
Interest on loans	3,435,514	-	100.00	5,961,701	-	100.00	925,000	24,857,182
	3,612,220	-	100.00	9,660,590	-	100.00	5,918,075	30,153,731



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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

		ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
14.	Taxation					
14.1	Income tax expense					
	Company income tax	-	1,852,760	-	4,333,774	12,990,332
	Education tax	-	3,370,240	-	999,180	2,752,934
		-	5,223,000	-	5,332,954	15,743,266
	Prior year under-provision (note 14.2.1)	-			56,080,276	-
	Current tax expense	-		-	61,413,230	15,743,266
	Deferred tax (note 14.4)		22,126,301		16,728,133	37,808,446
		-	27,349,301		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	-
	Payments during the year	(15,096,146)	(4,611,694)	16.21	(4,912,309)	(3,665,349)
	Tax charge for the year	-	27,349,301	-	5,332,954	15,743,266
	Withholding tax credit notes applied	-	(12,990,656)	-	(12,996,656)	(15,117,484)
	At 30th June	46,010,469	27,349,301	68.23	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	(61,071,044)	(9,037,761)	575.73	(5,683,148)	95,820,558
	Income tax using the company's domestic tax rate of 30%	(18,321,313)	(2,711,328)	575.73	(1,704,944)	28,746,167
	Education tax using tax rate of 2%	(1,221,421)	(180,755)	575.73	(113,663)	1,916,411
	Tax effect on expenses not deductible for tax purposes	-	-	-	17,805,483	13,384,360
	Tax effect on capital allowances	-	-	-	(9,991,797)	(27,529,336)
	Tax effect on tax incentives	-	-	-	(662,125)	(774,336)
	Under-provision in prior year	-	-	-	56,080,276	-
	Income tax expense excluding deferred tax	(19,542,734)	(2,892,083)	575.73	61,413,230	15,743,267
	Effective tax rate	0.32	0.32		(10.81)	16%
14.4	Deferred tax liabilities					
	At 1 January 2021	108,914,292	70,059,859	55.46	54,377,713	29,276,182
	Movement in the period	-	-	-	37,808,446	25,101,531
		108,914,292		100.00	92,186,159	54,377,713
	Deferred tax due to revaluation	-	70,059,859	(100.00)	16,728,133	37,808,446
	At 30th June 2021	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	43,600,000	43,600,000	-	43,600,000	43,600,000
	Buildings	165,515,229	168,919,520	(2.02)	167,187,100	170,073,340
	Plant and Machinery	634,740,385	649,141,677	(2.22)	633,125,255	638,135,241
	Furniture and Fittings	1,769,751	3,540,149	(50.01)	2,361,230	3,617,574
	Office & HSE Equipment	8,111,161	10,247,032	(20.84)	8,864,127	8,783,562
		853,736,526	875,448,379	(2.48)	855,137,712	864,209,717



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15.2A FOR THE PERIOD ENDED 30TH JUNE 2021

	Land	Buildings	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
Deemed Cost		N	N	N	N	N
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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15.2B FOR THE PERIOD ENDED 30TH JUNE 2020

	Land	Buildings	Plant and Machinery	Furniture and Fittings	Office & HSE Equipment	Total
	N	N	N	N	N	N
Deemed Cost						
At 1 January 2020	43,600,000	174,098,400	676,191,541	5,633,100	12,171,092	911,694,133
Addition in the year	-	590,720	28,154,599	955,000	2,803,850	32,504,168
At 30th June 2020	43,600,000	174,689,120	704,346,140	6,588,100	14,974,942	944,198,301
Accumulated Depreciation and impairment loss						
At 1 January 2020	-	(4,025,060)	(38,056,300)	(2,015,526)	(3,387,530)	(47,484,416)
Charge for the year	-	(1,744,540)	(17,148,163)	(1,032,425)	(1,340,379)	(21,265,507)
Write-off	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30th June 2020	-	(5,769,600)	(55,204,463)	(3,047,951)	(4,727,909)	(68,749,923)
Carrying amount						
At 30th June 2020	43,600,000	168,919,520	649,141,677	3,540,149	10,247,032	875,448,379
At 30th June 2019	43,200,000	163,450,303	588,726,759	1,112,414	3,758,847	800,248,323



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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 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Cost of sales	15,978,108	3,831,464	317.02	34,639,551	33,564,025
Administrative	3,494,650	4,117,342	(15.12)	8,333,590	7,526,599
	19,472,758	7,948,806	144.98	42,973,141	41,090,624

15.6 Security

As at 30th June 2021, there were no assets pledged as security.

16. Inventories

Diesel	1,358,923	2,693,950	(49.56)	939,126	3,784,544
QHSE Consumables	1,499,640	1,706,485	(12.12)	980,389	1,423,270
Stationeries	277,095	232,639	19.11	224,092	254,204
Technical/Electrical items	5,040,145	2,099,431	140.07	2,895,340	2,571,100
Other consumables	43,339	80,887	(46.42)	76,664	30,800
	8,219,142	6,813,392	20.63	5,115,611	8,063,918

The value of inventories recognised as an expense during the period was N3.104 million (2020: N1.301 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 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
17. Trade and other receivables					
Trade receivables (note 17.1)	6,742,047	114,865,393	(94.13)	118,774,639	135,472,885
Staff loans and advances (17.2)	1,457,548	1,973,062	(26.13)	979,466	912,598
Receivable due from related parties (note 17.3)	6,307,001	6,307,001	-	6,307,001	6,091,601
	14,506,596	123,145,456	(88.22)	126,061,106	142,477,084
17.1 Trade receivables					
Receivables from customers	6,742,047	114,865,393	(94.13)	144,809,054	155,819,661
Allowance for expected credit losses (note 17.1.1)	-	-		(26,034,415)	(20,346,776)
	6,742,047	114,865,393	(94.13)	118,774,639	135,472,885
Ageing of trade receivables					
Current					-
1 - 30 days past due	3,475,700	23,616,963	(85.28)	67,031,021	-
31 - 60 days past due	2,926,347	32,034,260	(90.86)	10,069,574	24,608,735
61 - 90 days past due	-	55,997,628	100.00	-	24,545,817
Over 90 days past due	340,000	2,841,195	(88.03)	67,708,459	106,665,109
	6,742,047	114,490,046	(94.11)	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 30th June 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	845,899	50,000	1,591.80	-	-
Staff loans and advances	611,649	1,923,062	(68.19)	982,466.00	953,269.00
Allowance for expected credit losses	-	-	-	(3,000.00)	(40,671.00)
	1,457,548	1,973,062	(26.13)	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 YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Due from					
The Initiates Uganda Limited - Pre-Incorporation expenses	6,307,001	6,307,001	-	6,307,001	6,091,601

b. Relationship with key management Personnel

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

18. Cash and cash equivalents

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

Cash in hand	271,939	28,926	840.12	22,584	127,415
Cash at bank	10,571,955	1,652,931	539.59	5,349,659	10,294,267
	11,320,924	2,189,891	416.96	5,372,243	10,421,682
Apel Capital Investment note (note 18.1)	6,279,467	3,000,000	100.00	3,268,845	3,000,000
	17,600,391	5,189,891	239.13	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.



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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
At 1 January	125,401,944	116,863,352	7.31	116,863,352	97,218,003
Withholding tax in the period	8,407,497	12,304,574	(31.67)	21,535,248	34,762,833
Withholding tax utilised during the year	-	(12,990,656)	-	(12,996,656)	(15,117,484)
At 30th June 2021	133,809,441	116,177,270	15.18	125,401,944	116,863,352

20. Other current assets

Advance to third party	4,015,125	-	100.00	-	-
Prepaid expenses	7,463,703	3,945,947	89.15	13,981,405	4,264,376
	11,478,828	3,945,947	190.90	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
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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

22. Share premium

At 1 January	17,780,000	17,780,000	-	17,780,000	17,780,000
Additional share premium	-	-	-	-	-
At 30th June 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/2012/00000000000254) 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 30th June 2021	303,473,535	303,473,535	-	303,473,535	303,473,535



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	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 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)	-	(33,218,028)	(100.00)	-	-
Dividend paid	-	-		-	(44,499,078)
Profit for the year	(61,071,044)	(9,037,761)	575.73	(83,824,511)	42,268,846
At 30th June 2021	16,493,554	119,133,321	(86.16)	77,564,598	161,389,109
25. Trade and other payables					
Trade payables	31,211,029	79,982,523	(60.98)	28,954,232	34,092,049
Dividend payable (note 25.2)	6,883,198	3,603,731	91.00	3,872,576	3,603,731
Other payables	-	-	-	36,889	339,049
Accruals (note 25.1)	3,246,591	8,591,521	(62.21)	13,842,555	14,642,456
	41,340,818	92,177,775	(55.15)	46,706,252	52,677,285
25.1 Accruals					
Accrued Haulage and Disposal	-	2,000,000	(100.00)		6,621,000
Accrued Auditors Fees	1,600,000	65,000	2,361.54	2,000,000.00	2,500,000
Accrued Directors' Fees	65,000	1,009,937	(93.56)	2,315,000.00	2,315,000
Accrued Performance Bonus	1,009,937	4,152,284	(75.68)	1,009,937.22	1,009,937
Accrued Staff Salary	5,809	-	100.00	1,200,000.00	5,809
Accrued Professional Fees	-	792,780	-	1,200,000.00	1,500,000
Accrued Directors' Emolument	-	-		5,809.00	-
Accrued interest on Loan	-	-		925,000.00	-
Accrued Security & Com Expense	565,845	571,520	(0.99)	5,186,809.77	690,710
At 30th June 2021	3,246,591	8,591,521	(62.21)	13,842,556	14,642,456



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	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
25.2 Dividend payable					
At 1 January	3,872,576	1,459,333	165.37	3,603,731	1,459,333
Unclaimed dividends	3,010,622	2,144,398	40.39	-	2,144,398
Interest on unclaimed dividends	-	-	-	268,845	-
Prior Year Dividends approved during the year	-	-	-	-	44,499,078
Payments made during the year	-	-	-	-	(44,499,078)
At 30th June 2021	6,883,198	3,603,731	91.00	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 30th June 2021	-	-	-	-	13,482,130
27. Other current tax liabilities					
Pay As You Earn	709,788	1,491,628	(52.42)	126,585	971,713
Withholding tax payable	19,801,389	15,398,828	28.59	18,925,110	12,242,787
Local Content Tax Liability	1,186,961	1,004,399	100.00	16,243,372	-
Value Added Tax - Suppliers	23,042,076	19,776,152	16.51	1,112,586	11,756,403
Value Added Tax - Customers	19,694,173	12,356,889	59.38	27,776,853	18,692,881
At 30th June 2021	64,434,387	50,027,896	28.80	64,184,506	43,663,784



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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
28. Employees' benefits					
Defined contribution plans (note 28.1)	1,897,968	3,497,640	(0.84)	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	1,897,968	3,497,640	(45.74)	9,408,086	10,807,610
Payments made during the year	(2,618,292)	(2,055,001)	27.41	(8,844,795)	(8,870,857)
At 30th June 2021	1,897,968	3,497,640	(45.74)	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	-	100.00	17,000,000	-
Repayments in the year	(46,500,000)	-	100.00	-	-
At 30th June 2021	-	-		17,000,000	-



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	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
30. Information regarding directors and employees					
30.1. Directors					
Directors' emoluments comprises:					
Fees	-	-	-	2,250,000	2,250,000
Others - salaries and allowances	8,474,673	6,895,000	-	15,095,912	18,711,662
	8,474,673	6,895,000	-	17,345,912	20,961,662
Highest paid Director (Managing Director) - emolument	2,656,080	3,060,000	(13.20)	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:					
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					Number
Average numbers of persons employed during the year:					
Management	11	10	10.00	11	10
Senior Staff	12	11	9.09	12	13
Junior Staff	26	28	(7.14)	26	28
	49	49	-	49	51
Aggregate payroll costs					N
Salaries and allowances	21,458,277	31,861,656	(32.65)	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	18	5.56	19	14
N1,000,001	13	13	-	13	9
N1,500,001	14	15	(6.67)	14	13
	49	49	-	49	51



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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 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 30th June 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 Q2 2021 N	HISTORICAL Q2 2020 N	CHANGE %	ACTUAL YTD 2021 N	HISTORICAL YTD 2020 N	CHANGE %	2020 N	2019 N
Profit attributable to ordinary shareholders (in naira)	(30,515,412)	(10,494,136)	190.79	(61,071,044)	(9,037,761)	575.73	(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	(3.43)	(1.18)	190.79	(6.86)	(1.02)	575.73	(0.64)	4.75



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OTHER NATIONAL DISCLOSURES



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STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED 30TH JUNE 2021

	ACTUAL Q2 2021 N		HISTORICAL Q2 2020 N		ACTUAL YTD 2021 N		HISTORICAL YTD 2020 N		2020 N		2019 N	%
Revenue from contracts with customers	65,777,798		80,601,803		120,232,622		246,353,471		469,379,792		550,218,779	
Other income	47,700		84,336		301,597		2,274,745		5,989,484		30,140,845	
	65,825,498		80,686,139		120,534,220		248,628,215		475,369,276		580,359,624	
Less: Bought in materials and services	-		-		-		-		2,961,971		53,514,815	
Imported	-		-		-		-		-		-	
Local	75,420,254		65,287,006		140,674,229		217,855,514		363,601,851		317,160,479	
Value added	(9,594,756)	100	15,399,133	100	(20,140,009)	100	30,772,702	100	108,805,454		209,684,330	100
Applied as follows:												
To pay employees' salaries wages and other benefits	10,968,945	(114)	15,095,231	98	21,458,277	(107)	31,861,656	104	71,515,460	66	72,773,148	35
To pay Government taxation	-		-		-		-		61,413,230	56	15,743,266	8
To provide for enhancement of assets and expansion:												
- deferred tax	-		-		-		-		16,728,134	15	37,808,446	18
- depreciation of fixed assets	9,951,711	(104)	10,798,038	70	19,472,758	(97)	7,948,806	26	42,973,141	39	41,090,624	20
- retained in the business	(30,515,412)	318	(10,494,136)	(68)	(61,071,044)	303	(9,037,761)	(29)	(83,824,511)	(77)	42,268,846	20
	(9,594,756)	100	15,399,133	100	(20,140,009)	100	30,772,702	100	108,805,454	100	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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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.