

2024

THE INITIATES PLC

4TH QUARTER UNAUDITED ACCOUNT

FOR PERIOD ENDED 31ST DEC. 2024



TIP FINANCE DEPARTMENT

12/31/2024



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

Unit/Dept: COMMERCIAL AND FINANCE

Site/Location:

TIP BASE

Completed By: TANEH ROSEMARY

Position: CHIEF FINANCIAL OFFICER

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THE INITIATES PLC

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, cashflows and changes in equity for the period ended 31st December 2024, 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 31st December 2024 were approved by directors on 29th January, 2025.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....
Mr. Joe Ogonna 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 2024**

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 Ogonna
Chairman

FRC/2014/PRO/DIR/003/00000008836

Ossai, Reuben Mustapha
Chief Executive Officer

FRC/2014/PRO/DIR/003/00000009687

Taneh Rosemary
Chief Financial Officer

FRC/2017/PRO/ICAN/001/00000016060



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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/PRO/NBA/002/00000016739



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THE INITIATES PLC

SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS AS AT THE PERIOD ENDED 31ST DECEMBER 2024

COMPANY NAME: THE INITIATES PLC.
 BOARD LISTED: GROWTH BOARD
 YEAR END: 31ST DECEMBER
 REPORTING PERIOD: 2024 FOURTH QUARTER (1ST OCTOBER - 31ST DECEMBER 2024)
 SHARE PRICE AS AT REPORTING DATE: N2.50 (2023: N1.15)

| DESCRIPTION | 2024 | | 2023 | |
|---|--------------------|--|--------------------|--|
| | UNITS | PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) % | UNITS | PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) % |
| Issued Share Capital @ 50 Kobo per share | 889,981,552 | 100% | 889,981,552 | 100% |
| Details of Substantial Shareholdings (5% and above) | | | | |
| DVCF OIL & GAS PLC | - | - | 218,441,000 | 24.54 |
| OSSAI REUBEN M | 190,695,237 | 21.43 | 190,695,237 | 21.43 |
| AFOLAYAN SAMUEL OLAJIDE | 137,798,925 | 15.48 | 102,552,084 | 11.52 |
| RICHGATE INVEST SEC LTD | 106,400,000 | 11.96 | - | - |
| OBOH-OZHEREBE GORDON | 58,568,412 | 6.58 | 58,568,412 | 6.58 |
| Total Substantial Shareholdings | 493,462,574 | 55.45 | 570,256,733 | 64.08 |
| Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests | | | | |
| ANOSIKEH JOE OGBONNA | 20,295,796 | 2.28 | 20,295,796 | 2.28 |
| ALIKOR ACHI EDWARD | 1,126,761 | 0.13 | 1,126,761 | 0.13 |
| EBINUM JOSEPH (INDIRECT - BELL IYKE LIMITED) | 37,550,000 | 4.22 | 37,550,000 | 4.22 |
| Total Directors' Shareholdings | 58,972,557 | 6.63 | 58,972,557 | 6.63 |
| Details of Other Influential shareholdings, if any (E.g. Government, Promoters) | | | | |
| EMPLOYEES | 5,432,282 | 0.61 | 5,432,282 | 0.61 |
| Total of Other Influential Shareholdings | 5,432,282 | 0.61 | 5,432,282 | 0.61 |
| Free Float in Unit and Percentage | 332,114,139 | 37.32 | 255,319,980 | 28.69 |
| Free Float in Value | ₦ | 830,285,347.50 | ₦ | 293,617,977.00 |

(A) THE INITIATES Plc with a free float percentage of 37.32% as at 31st December 2024, 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 N830, 285,347.50 as at 31st December 2024 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 ended 31st December 2024; and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the fourth quarter ended 31st December 2024; 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 fourth quarter ended 31st December 2024; 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 ended 31st December 2024; was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 28th January, 2025.

FRC/2017/PRO/ ICAN/002/00000016424

Members of the Committee:

Mr. Christian Ugochukwu Nwanma - Chairman/Shareholder Representative

Prof. Edward Alikor - Non-Executive Director

Mr. Joseph Ebinum - Non-Executive Director

Mr. Adegbite Olushola Babawale Shareholder Representative



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

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EXECUTIVE SUMMARY:

1.1 FOURTH QUARTER (OCT – DECEMBER 2024)

TIP reported an impressive revenue of N2.006B (2023: N494M) representing over 306% increase over same period in 2023. A gross Profit of N832.5 million naira representing 42% of the revenue (Q4 2023: 153.5M,) was reported for the quarter showing a remarkable performance. An outstanding Net profit before tax of N694.3M (Q4 2023: 75.8M,) was reported for the 4th quarter.

1.2 YEAR TO DATE (JAN- DECEMBER 2024) REPORT:

TIP posted a total revenue of NGN4.566B (2023: NGN1.819B) which represent over 150.9% increase over revenue of 2023. Gross Profit of N1.837 billion naira was reported for the period showing a very good performance in comparison to same period in (2023 N648.4M). A net Profit before tax of 1.425B (2023: 360M) was also reported.

TIP is delighted at these performances and is very determined to do better in the coming year.



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BALANCE SHEET

TIP Balance Sheet value shows a total asset of over NGN5.206 billion as 31st December, 2024

1. Trade Receivables: This stood at NGN2,791B as 31st December, 2024 with only NGN277.5M above 90 days.

2. Trade Payable: NGN1.312B is the Account Payable balance as at the close of business (COB) on the 31st December, 2024.

3. Measurement of Liquidity:

TIP liquidity including Cash & Cash Equivalent at the close of the December 31st 2024 shows NGN35.628M. There is a clear sign that TIP still shows signs of liquidity challenges attributed to huge account receivable. The Company's gearing ratio has dropped to 0:15 resulting from the repayment of loans as at 31st December, 2024.

The Management and Board are delighted that this continuous increase in overall performance will be sustained into the future with the addition of other facets of waste management in multiple locations.

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1. KEY PERFORMANCE INDICATORS

| S/N | PARAMETER | QTLY RESULT | YEAR TO DATE RESULT. |
|------------|------------------------|----------------------|-----------------------------|
| 1 | Turnover | 2,006,039,625 | 4,566,579,591 |
| 2 | Non-Oil & Gas Revenue | 1,150,000 | 27,471,403.93 |
| 3 | New Client | - | 9 |
| 4 | New Project | 1 | 5 |
| 5 | Operational Net Profit | 789,575,639 | 1,425,841,845 |
| 6 | Earnings per Share | 0.53 | 1.09 |
| 7 | Return on Equity | 0.39 | 0.40 |
| 8 | Return on Sales | 0.34 | 1.10 |
| 9 | Price Earnings Ratio | 0.95 | 0.46 |
| 10 | Dividend Yield | - | - |
| 11 | Increase in Equity | 122,757,472 | 1,314,674,089 |
| 12 | Return on Asset | 0.39 | 0.88 |
| 13 | WMS REVENUE | 1,131,787,938 | 3,543,895,736 |
| 14 | WMS OPREX | 1,026,483,071 | 2,776,989,480 |
| 15 | ICS REVENUE | 874,251,687 | 1,022,683,856 |
| 16 | ICS OPREX | 152,020,423 | 347,319,761 |
| 17 | QHSE COST | 2,976,625 | 17,338,826 |
| 18 | FINANCE COST | 9,833,333 | 67,474,404 |
| 19 | ADMIN COST | 70,927,992 | 216,425,656 |
| 20 | SPS (GMTN) COST | 1,105,580,287 | 2,514,367,415 |
| 21 | BUSINESS SERVICES COST | 90,000 | 939,500 |

The Management and Board are happy with this continuous performance increase and hope to continue with it.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST DECEMBER

| | <i>THREE MONTHS ENDED 31ST DECEMBER</i> | | | <i>YEAR ENDED DECEMBER</i> | | |
|---------------------------------|---|---------|--------|----------------------------|----------|--------|
| | ACTUAL | HISTROY | CHANGE | ACTUAL | HISTROY | CHANGE |
| | N'Mn | N'Mn | % | N'Mn | N'Mn | % |
| Revenue | 2,006.04 | 493.98 | 306.10 | 4,566.58 | 1,819.79 | 150.94 |
| Direct cost | 1,173.50 | 340.48 | 244.66 | 2,729.31 | 1,171.43 | 132.99 |
| Gross Profit | 832.54 | 153.49 | 442.39 | 1,837.27 | 648.36 | 183.37 |
| Total Indirect Cost | 128.41 | 67.05 | 91.52 | 343.95 | 221.88 | 55.02 |
| Financial Cost | 9.83 | 10.61 | (7.32) | 67.47 | 66.51 | 1.45 |
| Profit Before Tax | 694.29 | 75.84 | 815.48 | 1,425.84 | 359.97 | 296.10 |
| Provision of Income Tax Expense | 223.94 | 24.46 | 815.48 | 459.91 | 116.11 | 296.10 |
| Profit for the period | 470.35 | 51.38 | 815.48 | 965.94 | 243.86 | 296.10 |

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER

| | ACTUAL | HISTROY | CHANGE |
|----------------------------------|-----------------|-----------------|-------------------|
| | N'Mn | N'Mn | % |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and Equipment | 2,199.47 | 1,738.20 | 26.54 |
| Other non - current asset | 8.47 | 31.22 | 100.00 |
| Total Non-Current Assets | 2,207.93 | 1,769.42 | 24.78 |
| Current Assets | | | |
| Inventories | 26.38 | 14.05 | 87.71 |
| Trade receivables | 2,791.15 | 515.68 | 441.25 |
| Cash and cash equivalents | 35.63 | 184.95 | (80.74) |
| Current tax assets | 113.27 | 148.37 | (23.66) |
| Other current tax assets | 32.42 | 56.97 | (43.08) |
| Total current Asset | 2,998.86 | 920.03 | 225.95 |
| Total Assets | 5,206.79 | 2,689.45 | 93.60 |
| Non-Current Liabilities | | | |
| Deferred tax | 122.13 | 82.52 | 48.00 |
| Long Term Borrowing | 350.00 | 550.00 | (36.36) |
| Total Non-Current Liability | 472.13 | 632.52 | (25.36) |
| Current Liabilities | | | |
| Trade and Other payables | 1,312.66 | 308.71 | 325.20 |
| Other current tax liabilities | 459.91 | 122.74 | 274.70 |
| Other current tax liabilities | 371.94 | 304.27 | 22.24 |
| Employees' benefits | 4.49 | 3.00 | 50.00 |
| Short term borrowings | 193.99 | 241.21 | 100.00 |
| Total current liabilities | 2,342.99 | 979.93 | 139.10 |
| Total Liabilities | 2,815.11 | 1,612.45 | 74.59 |
| Working Capital | 655.87 | (59.90) | (1,194.95) |
| Net Asset | 2,391.67 | 1,077.00 | 122.07 |

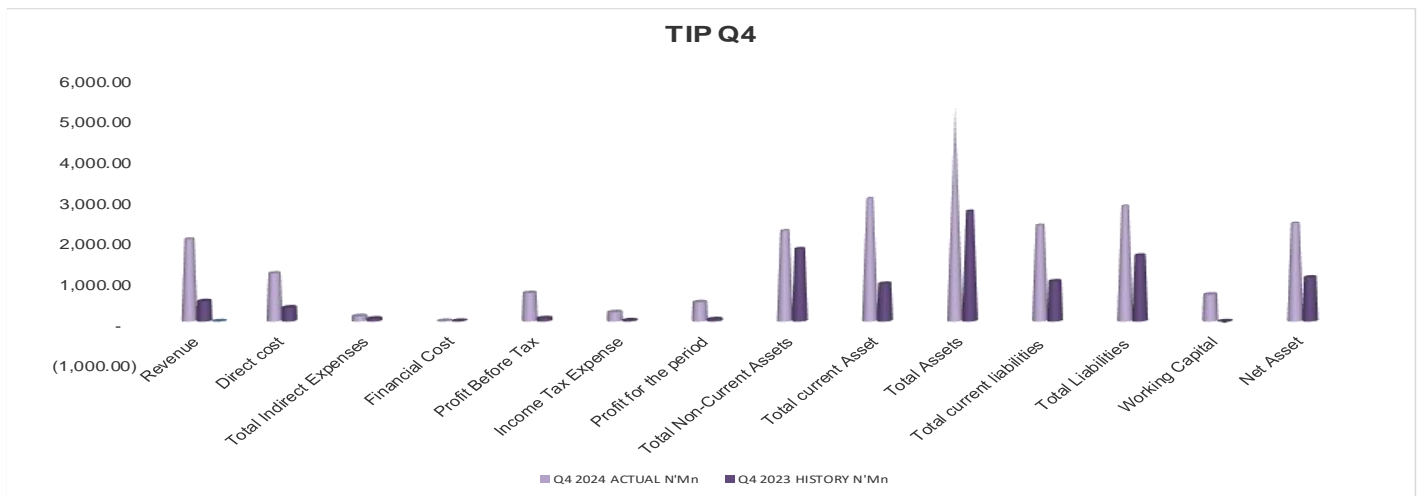


DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

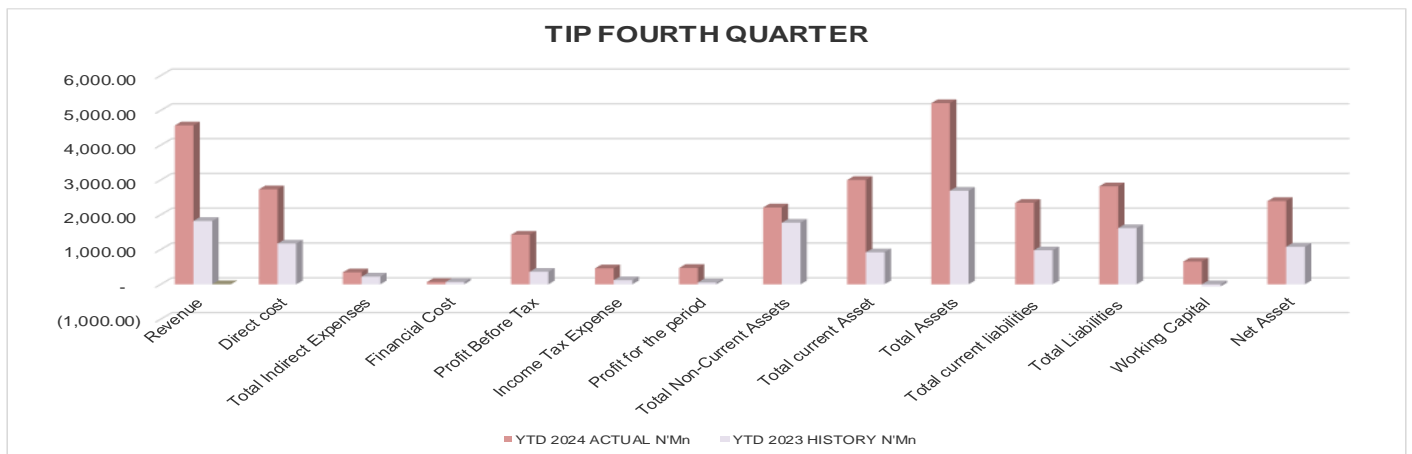
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| | KEY RATIOS | | | |
|----------------------------|----------------------------|--------------|--------------------------|--------------|
| | MONTHS ENDED 31ST DECEMBER | | YEAR ENDED 31ST DECEMBER | |
| | Q4 2024 | Q4 2023 | YTD 2024 | YTD 2023 |
| Earnings Per Share | 0.52 | 0.06 | 1.09 | 0.27 |
| Gross Profit Margin | 41.25 | 31.07 | 40.34 | 35.63 |
| Net Profit Margin | 23.28 | 10.40 | 21.23 | 13.40 |
| Net Asset Per Shares | 2.69 | 1.21 | 2.69 | 1.21 |
| Return on Capital Employed | 16.29 | 3.00 | 33.81 | 14.26 |
| Current Ratios | 1.28 | 0.94 | 1.28 | 0.94 |
| Net Working Capital: | 0.33 | (0.12) | 0.14 | (0.39) |
| Fixed Asset Turnover: | 1.03 | 0.33 | 2.35 | 1.20 |
| Receivables Turnover | 1.44 | 1.92 | 3.27 | 17.71 |
| Payables Turnover | (1.96) | (2.65) | (4.60) | (9.03) |
| Return On Equity | 0.39 | 0.18 | 0.40 | 0.23 |
| Return On Assets | 0.39 | 0.18 | 0.88 | 0.68 |
| Price Earning per Share | 0.95 | 8.66 | 0.46 | 1.82 |
| Gearing Ratio | 0.15 | 0.51 | 0.15 | 0.51 |
| Return on Sales | 0.34 | 0.34 | 1.10 | 0.31 |
| Annual Revenue Increase | 3.06 | 0.75 | 1.51 | 2.65 |
| Annual Net Profit Increase | 8.09 | 0.75 | 2.97 | 2.28 |
| Net Profit Per Staff | 8,490,230.51 | 1,027,548.48 | 19,782,118.53 | 4,976,729.39 |



Graphical representation of TIP'S FOURTH QUARTER 2024 performance



Graphical representation of TIP'S 2024 ANNUAL performance



THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | Note | ACTUAL Q4 | | HISTORY | | ACTUAL | | HISTORY | | 2023 | 2022 |
|--|------|--------------------|------------|--------------------|-----------------|----------------------|------------|--------------------|---------------|--------------------|---------------------|
| | | 2024 | REVENUE | Q4 2023 | CHANGE | YTD 2024 | REVENUE | YTD 2023 | CHANGE | | |
| | | N | % | N | % | N | % | N | % | N | N |
| Continuing Operations | | | | | | | | | | | |
| Revenue from contracts with customers | 6 | 2,006,039,625 | 100% | 493,977,877 | 306.10 | 4,566,579,591 | 100% | 1,819,786,900 | 150.94 | 1,849,471,769 | 841,469,215 |
| Cost of sales | 7 | 1,173,503,494 | 58% | 340,483,377 | 244.66 | 2,729,309,240 | 60% | 1,171,426,547 | 132.99 | 1,171,532,339 | 641,990,433 |
| Gross profit | | 832,536,132 | 42% | 153,494,500 | 442.39 | 1,837,270,351 | 40% | 648,360,353 | 183.37 | 677,939,430 | 199,478,782 |
| Staff costs | 8 | 55,176,189 | 3% | 25,554,428 | 115.92 | 118,316,181 | 3% | 74,739,419 | 58.30 | 77,014,490 | 92,223,763 |
| Depreciation and impairment loss | 9 | 2,303,940 | 0% | 2,952,026 | (21.95) | 9,212,264 | 0% | 9,338,641 | (1.35) | 9,098,316 | 7,656,673 |
| Administrative expenses | 10 | 70,927,992 | 4% | 38,539,091 | 84.04 | 216,425,656 | 5% | 137,802,395 | 57.06 | 141,609,490 | 161,891,115 |
| Total Indirect Cost | | 128,408,122 | 6% | 67,045,545 | 91.52 | 343,954,102 | 8% | 221,880,454 | 55.02 | 227,722,296 | 240,599,790 |
| Results from operating activities | | 704,128,009 | 35% | 86,448,954 | 714.50 | 1,493,316,249 | 33% | 426,479,899 | 250.15 | 450,217,134 | (41,121,008) |
| Finance cost | 13 | 9,833,333 | 0% | 10,609,521 | (7.32) | 67,474,404 | 1% | 66,512,757 | 1.45 | 78,298,206 | 19,698,085 |
| Profit before tax | | 694,294,676 | 35% | 75,839,433 | 815.48 | 1,425,841,845 | 31% | 359,967,142 | 296.10 | 371,918,928 | (60,819,093) |
| Provision for Income tax expense | 14.1 | 223,944,748 | 11% | 24,462,009 | 815.48 | 459,905,287 | 10% | 116,107,402 | 296.10 | 171,546,102 | (10,331,054) |
| Profit for the year | | 470,349,928 | 23% | 51,377,424 | 815.48 | 965,936,558 | 21% | 243,859,740 | 296.10 | 200,372,826 | (71,150,147) |
| Other Comprehensive income | | | | | | | | | | | |
| Foreign currency translation difference | 6a | (6,399,466) | | 125,125,089 | (105.11) | 162,627,994 | | 120,265,349 | 35.22 | 147,854,186 | 17,121,070 |
| Dividend Received from Investment in TII | 6b | - | - | - | 100 | 138,282,342 | | 100 | 100 | - | - |
| Revaluation surplus on property, plant and equipment | 23.3 | - | - | - | - | - | | - | - | - | - |
| Other comprehensive income for the year | | (6,399,466) | | 125,125,089 | (105.11) | 300,910,336 | | 120,265,449 | 150.21 | 147,854,186 | 17,121,070 |
| Total comprehensive income for the year | | 463,950,462 | | 176,502,513 | 162.86 | 1,266,846,894 | | 364,125,189 | 247.92 | 348,227,012 | (54,029,077) |
| Basic earnings per share (kobo) | 35 | 0.53 | | 0.06 | 815.48 | 1.09 | | 0.27 | 296.10 | 0.39 | (0.06) |

The notes on pages 17 to 28 form part of these financial statements.

**THE INITIATES PLC****STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2024**

| | Note | ACTUAL YTD 2024 | HISTORICAL YTD 2023 | CHANGE % | 2023 N | 2022 N |
|-------------------------------------|------|----------------------|------------------------|---------------|----------------------|----------------------|
| Assets | | | | | | |
| Non-current assets | | | | | | |
| Property, plant and equipment | 15 | 1,941,679,296 | 1,514,559,899 | 28.20 | 1,531,133,502 | 1,140,204,567 |
| Assets in Transit | 16 | 152,167,360 | 118,499,779 | 28.41 | 120,589,302 | 265,057,884 |
| Other non-current assets | 17 | 8,465,625 | 31,218,067 | (72.88) | 17,907,467 | 31,218,067 |
| Investment | 20 | 105,619,312 | 105,140,247 | 0.46 | 105,259,214 | 105,140,247 |
| | | 2,207,931,594 | 1,769,417,992 | 35 | 1,774,889,485 | 1,541,620,765 |
| Current assets | | | | | | |
| Inventories | 18 | 26,381,658 | 14,054,821 | 87.71 | 13,576,920 | 14,931,947 |
| Trade and other receivables | 19 | 2,791,153,599 | 515,683,393 | 441.25 | 490,194,110 | 293,883,501 |
| Cash and cash equivalents | 21 | 35,628,273 | 184,953,865 | (80.74) | 199,663,455 | 159,028,727 |
| Current tax assets | 22 | 113,268,650 | 148,368,990 | (23.66) | 57,687,440 | 62,910,235 |
| Other current assets | 23 | 32,424,474 | 56,968,900 | (43.08) | 23,756,139 | 17,643,299 |
| | | 2,998,856,654 | 920,029,968 | 225.95 | 784,878,064 | 548,397,709 |
| Total current assets | | 2,998,856,654 | 920,029,968 | 225.95 | 784,878,064 | 548,397,709 |
| Total Assets | | 5,206,788,248 | 2,689,447,960 | 93.60 | 2,559,767,549 | 2,090,018,474 |
| Equity and Liabilities | | | | | | |
| Equity | | | | | | |
| Share capital | 24 | 444,990,776 | 444,990,776 | - | 444,990,776 | 444,990,776 |
| Share premium | 25 | 17,780,000 | 17,780,000 | - | 17,780,000 | 17,780,000 |
| Revaluation reserve | 26 | 303,473,535 | 303,473,535 | - | 303,473,535 | 303,473,535 |
| Retained earnings | 27 | 1,625,429,089 | 310,755,000 | 423.06 | 411,981,089 | (53,379,368) |
| | | 2,391,673,400 | 1,076,999,311 | 122.07 | 1,178,225,400 | 712,864,943 |
| Non-current liabilities | | | | | | |
| Deferred tax liabilities | 14.4 | 122,126,879 | 82,519,191 | 48.00 | 122,126,879 | 82,519,191 |
| Long Term Borrowing | 31 | 350,000,000 | 550,000,000 | (36.36) | 550,000,000 | 700,000,000 |
| Current liabilities | | | | | | |
| Trade and other payables | 28 | 1,312,660,483 | 308,713,926 | 325.20 | 301,070,063 | 457,342,869 |
| Current tax liabilities | 14 | 459,905,287 | 122,739,555 | 274.70 | 16,685,346 | 7,550,070 |
| Other current tax liabilities | 29 | 371,935,115 | 304,272,625 | 22.24 | 118,846,934 | 126,803,864 |
| Employees' benefits | 30 | 4,492,394 | 2,995,027 | 50.00 | 2,995,027 | 2,937,537 |
| Short term borrowing | 31.2 | 193,994,690 | 241,208,324 | - | 269,817,900 | - |
| | | 2,342,987,969 | 979,929,457 | 139.10 | 709,415,270 | 594,634,340 |
| Total current liabilities | | 2,342,987,969 | 979,929,457 | 139.10 | 709,415,270 | 594,634,340 |
| Total liabilities | | 2,815,114,848 | 1,612,448,648 | 74.59 | 1,381,542,149 | 1,377,153,531 |
| Total equity and liabilities | | 5,206,788,248 | 2,689,447,960 | 93.60 | 2,559,767,549 | 2,090,018,474 |

These financial statements were approved by the Board of Directors on 29TH JANUARY, 2025 and signed on its behalf by:

Mr. Joe Ogbonna Anosikeh
Chairman
FRC/2014/PRO/DIR/003/00000008836

Mr. Reuben Mustapha Ossai
Managing Director
FRC/2014/PRO/DIR/003/00000009687

Rosemary Taneh
Chief Finance Officer
FRC/2017/PRO/ICAN/001/00000016060

The notes on pages 17 to 28 form part of these financial statements.



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | 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 | 411,981,089 | 1,178,225,400 |
| Dividend Paid | | | | (53,398,893) | (53,398,893) |
| Profit for the year | - | - | - | 1,266,846,894 | 1,266,846,894 |
| | 444,990,776 | 17,780,000 | 303,473,535 | 1,625,429,090 | 2,391,673,401 |
| At 31st December | 444,990,776 | 17,780,000 | 303,473,535 | 1,625,429,090 | 2,391,673,401 |

FOR THE PERIOD ENDED 31ST DECEMBER 2023

| | 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 | (53,379,368) | 712,864,943 |
| Prior year adjustments | | - | - | 117,133,445 | 117,133,445 |
| Profit for the year | | - | - | 348,227,012 | 348,227,012 |
| At 31 December | 444,990,776 | 17,780,000 | 303,473,535 | 411,981,089 | 1,178,225,400 |



THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST DECEMBER 2024

| Note | ACTUAL Q4 2024 N | HISTORY Q4 2023 N | CHANGE % | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|--|------------------------|-------------------------|-----------------|-------------------------|--------------------------|-----------------|----------------------|----------------------|
| Cashflow from Operating Activities | | | | | | | | |
| Cashflows from Operations | 1,522,082,973 | 714,821,549 | 112.93 | 2,890,670,037 | 1,020,691,898 | 183.21 | 596,878,485 | 585,946,491 |
| Cash Paid to Suppliers | (1,496,144,589) | (487,481,948) | 206.91 | (2,471,066,361) | (666,672,168) | 270.66 | (177,056,025) | (239,728,740) |
| Cash Paid to Employees | (55,176,189) | (25,554,428) | 115.92 | (118,316,181) | (74,739,419) | 58.30 | (115,384,096) | (92,223,763) |
| Paid to Government (taxes) | - | - | - | (110,472,023) | - | 100.00 | (11,998,243) | - |
| Total | (29,237,806) | 201,785,172 | (114.49) | 190,815,472 | 279,280,311 | (31.68) | 292,440,121 | 253,993,988 |
| Cashflow from Investment Activities | | | | | | | | |
| Acquisition of property, plant and equipment | (200,389,243) | (168,097,283) | 19.21 | (325,888,731) | (274,497,327) | 18.72 | (173,131,600) | (633,677,455) |
| Investment | - | - | - | - | - | - | (120,589,302) | (98,833,246) |
| Dividend received | - | - | 100.00 | 138,282,341 | - | - | (118,967) | 640 |
| Dividend Paid | - | - | 100.00 | (53,957,135) | - | - | - | - |
| Unclaimed dividends paid to Shareholders | - | - | 100.00 | (3,105,429) | - | - | - | (1,299,260) |
| Total | (200,389,243) | (168,097,283) | 19.21 | (244,668,954) | (274,497,327) | (10.87) | (293,839,869) | (732,510,061) |
| Cashflow from Financing Activities | | | | | | | | |
| Borrowings | 217,903,381 | 123,685,251 | 76.18 | 593,744,690 | 241,657,203 | 145.70 | 269,817,900 | 5,000,000 |
| Repayment of borrowings | (50,000,000) | (50,000,000) | 100.00 | (636,735,317) | (150,000,000) | 100.00 | (150,000,000) | (5,000,000) |
| Interest on unclaimed dividends | - | - | - | 283,331 | - | 100.00 | 514,782 | 366,415 |
| Retained Earning | - | 38,991,686 | - | - | - | - | - | - |
| Finance cost | (9,833,333) | (10,609,521) | (7.32) | (67,474,404) | (66,512,757) | 1.45 | (78,298,206) | (19,698,085) |
| Total | 158,070,047 | 102,067,416 | 54.87 | (110,181,701) | 25,144,447 | (538.19) | 42,034,476 | (19,331,670) |
| Net Cash Flow | (71,557,001) | 135,755,305 | (152.71) | (164,035,183) | 29,927,430 | (648.11) | 40,634,728 | (497,847,743) |
| Opening Balance | 107,185,273 | 49,198,560 | 117.86 | 199,663,455 | 155,026,435 | 28.79 | 159,028,727 | 658,175,730 |
| Closing Balance | 35,628,272 | 184,953,865 | (80.74) | 35,628,272 | 184,953,865 | (80.74) | 199,663,455 | 160,327,987 |

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THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL Q4 2024 N | HISTORY Q4 2023 N | CHANGE % | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|--|------------------------|-------------------------|---------------|-------------------------|--------------------------|---------------|----------------------|--------------------|
| 6. Revenue from contracts with customers | | | | | | | | |
| Waste Management Service | 1,131,787,938 | 195,372,937 | 479.30 | 3,543,895,736 | 1,003,702,853 | 253.08 | 1,033,555,438 | 841,469,215 |
| Industrial Cleaning Service | 874,251,687 | 298,604,940 | 192.78 | 1,022,683,856 | 816,084,046 | 25.32 | 815,916,330 | - |
| | 2,006,039,625 | 493,977,877 | 306.10 | 4,566,579,591 | 1,819,786,900 | 150.94 | 1,849,471,769 | 841,469,215 |
| The revenue from contracts with customers is made up of: | | | | | | | | |
| TDU | 1,076,443,471 | 44,718,856 | 2,307.14 | 3,318,252,704 | 748,113,792 | 343.55 | 784,852,115 | 362,635,385 |
| Incineration | 43,567,499 | 35,010,168 | 24.44 | 168,184,054 | 94,123,220 | 78.68 | 87,237,482 | 83,259,628 |
| E- Waste | 11,776,967 | 19,993,313 | (41.10) | 55,220,377 | 65,815,241 | (16.10) | 65,815,241 | 114,952,127 |
| Asbestos | - | 95,650,600 | 100.00 | 2,238,600 | 95,650,600.00 | - | 95,650,600 | 280,622,075 |
| ICS Vessel | - | 66,098,544 | (100.00) | 100,194,686 | 104,800,543 | (4.39) | 104,632,827 | - |
| ICS FPSO | 874,251,687 | 232,506,396 | 276.01 | 922,489,169 | 711,283,504 | 29.69 | 711,283,504 | - |
| | 2,006,039,625 | 493,977,877 | 306.10 | 4,566,579,591 | 1,819,786,900 | 150.94 | 1,849,471,769 | 841,469,215 |
| 6a. Other income | | | | | | | | |
| Interest received | - | - | 100.00 | - | - | - | - | 640 |
| Debt recovery | - | - | - | - | - | 100.00 | - | 3,415,250 |
| Realized foreign exchange gains (note 8.2) | 2,000,324 | - | - | - | - | - | 134,405,771 | 13,705,820 |
| Unrealized foreign exchange gains (note 9.1) | (8,399,790) | 125,125,089 | (106.71) | 162,627,994 | 120,265,349 | - | 12,256,645 | - |
| Sundry income | - | - | - | - | - | - | 1,191,770 | 325,769 |
| | (6,399,466) | 125,125,089 | 100.00 | 162,627,994 | 120,265,349 | 100.00 | 147,854,186 | 17,121,070 |
| Realized foreign exchange gains | - | - | - | 138,282,342 | - | - | - | - |
| | - | - | - | 138,282,342 | - | 100.00 | 1,191,770 | 325,769 |
| 6b. Dividend received | - | - | - | 138,282,342 | - | 100.00 | 1,191,770 | 325,769 |
| Dividend received represent cash received from The Initiates Uganda of \$48,705 on the 19th of March and \$ 38,964 on the 19th of August 2024. | | | | | | | | |
| 7. Cost of sales | | | | | | | | |
| Collection & Haulage | 448,045,950 | 75,304,300 | 494.98 | 785,443,490 | 431,121,284 | 82.19 | 431,121,284 | 175,785,194 |
| Waste Disposal | 585,000 | 32,717,040 | (98.21) | 2,473,100 | 78,873,040 | (96.86) | 80,125,390 | 21,909,378 |
| Rental & Handling of TIs & Eqpt | 222,751,653 | 87,305,198 | 155.14 | 452,852,593 | 269,290,907 | 68.16 | 269,290,907 | 137,402,303 |
| Equipment Repairs Maintenance | 93,321,657 | 10,641,860 | 776.93 | 131,928,995 | 36,404,288 | 262.40 | 29,606,787 | 22,490,507 |
| Employee Cost | 26,247,195 | 11,270,532 | 132.88 | 70,490,737 | 38,369,605 | 83.72 | 38,369,606 | 35,603,096 |
| Transport and Travelling | 5,302,537 | 5,368,637 | (1.23) | 12,015,290 | 16,742,280 | (28.23) | 16,890,545 | 26,349,347 |
| Consumables | 322,686,028 | 92,459,461 | 249.00 | 718,076,129 | 208,863,509 | 243.80 | 213,690,629 | 8,010,542 |
| Depreciation | 15,326,349 | 9,486,295 | 61.56 | 50,098,083 | 37,376,675 | 34.04 | 38,162,233 | 81,051,060 |
| Direct wages | 7,175,500 | 3,834,600 | 87.13 | 49,944,389 | 17,095,025 | 192.16 | 16,985,025 | 36,261,211 |
| Security and Community Expenses | 10,805,000 | 9,202,500 | 17.41 | 14,115,000 | 17,348,958 | (18.64) | 17,348,958 | 48,923,200 |
| Compliance Monitoring | 630,000 | - | 100.00 | 2,110,700 | 1,032,000 | 104.53 | 17,689,375 | 21,737,295 |
| Waste Treatment | 18,190,000 | 982,455.00 | 100.00 | 423,593,108 | 5,342,755 | 100.00 | 2,251,600 | 21,446,439 |
| Permit | 2,346,625 | 1,310,500 | 79.06 | 15,228,126 | 11,314,620 | 34.59 | - | - |
| Business Development | 90,000 | 600,000 | (85.00) | 939,500 | 2,251,600 | (58.27) | - | 5,020,861 |
| | 1,173,503,494 | 340,483,377 | 244.66 | 2,729,309,240 | 1,171,426,547 | 132.99 | 1,171,532,339 | 641,990,433 |



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

| | | | | | | | | |
|--|-------------------|-------------------|----------------|--------------------|--------------------|---------------|-----------------------|--------------------|
| 8. Staff costs | | | | | | | | |
| Staff Salaries and Wages (Corporate) | 15,476,079 | 12,629,806 | 22.54 | 57,963,593 | 48,238,342 | 20.16 | 93,830,258.00 | 73,476,897 |
| Staff Pensions (Employer) | 1,078,650 | 1,365,886 | (21.03) | 4,004,563 | 5,220,296 | (23.29) | 5,220,296.00 | 6,063,092 |
| Staff Welfare | 30,990,000 | 6,002,000 | 100.00 | 31,420,000 | 6,252,000 | 402.56 | 5,752,000.00 | 1,935,600 |
| Leave Allowance | 3,633,300 | 161,445 | 100.00 | 7,233,640 | 1,053,913 | 100.00 | | 3,323,966 |
| Terminal Benefit | 158,813 | 2,805,660 | | 4,722,135 | 4,686,660 | | 1,226,078.00 | |
| Medical Expense | 3,839,348 | 2,589,631 | 48.26 | 12,972,251 | 9,288,207 | 39.66 | 9,355,464.00 | 7,424,208 |
| | 55,176,189 | 25,554,428 | 115.92 | 118,316,181 | 74,739,419 | 58.30 | 115,384,096.00 | 92,223,763 |
| 8b. | | | | | | | | |
| Total employee costs recognised in profit or loss | | | | | | | | |
| Cost of sales | 26,247,195 | 11,270,532 | 132.88 | 70,490,737 | 38,369,605 | 83.72 | 38,369,606 | 26,349,347 |
| Administrative expenses | 55,176,189 | 25,554,428 | 115.92 | 118,316,181 | 74,739,419 | 58.30 | 115,384,096 | 92,223,763 |
| | 81,423,384 | 36,824,960 | 121.11 | 188,806,918 | 113,109,024 | 66.92 | 153,753,702 | 118,573,110 |
| 9. Depreciation and impairment loss | | | | | | | | |
| Depreciation | 2,303,940 | 2,952,026 | (21.95) | 9,212,264 | 9,338,641 | (1.35) | 9,098,316 | 7,656,673 |
| 10. Administrative expenses | | | | | | | | |
| Directors' emolument | 6,510,000 | 6,510,000 | - | 26,040,000 | 27,360,000 | (4.82) | 27,360,000 | 18,500,000 |
| Directors' allowances and expenses | 1,260,000 | 904,265 | 39.34 | 10,541,931 | 6,129,651 | 71.98 | 6,475,386 | 6,584,483 |
| Directors' fees | 1,912,500 | 687,500 | 178.18 | 5,200,000 | 2,750,000 | 89.09 | 2,750,000 | 2,750,000 |
| Transport and travelling expenses | 3,536,350 | 895,815 | 294.76 | 8,144,655 | 3,753,030 | 117.02 | 3,752,030 | 5,302,875 |
| Legal and professional fees | 2,854,775 | 2,452,993 | 16.38 | 10,891,141 | 7,185,328 | 51.57 | 9,056,865 | 42,713,834 |
| Electricity | 1,180,339 | 2,014,021 | (41.39) | 2,806,693 | 5,612,640 | (49.99) | 5,439,980 | 2,856,275 |
| Fuel and diesel | 18,534,775 | 2,913,250 | 536.22 | 40,329,550 | 21,558,170 | 87.07 | 22,036,070 | 10,819,401 |
| Licenses and levies | - | 268,061 | (100.00) | 427,700 | 1,625,067 | (73.68) | 1,625,067 | 1,919,848 |
| Donation & Gift | 1,220,000 | 100,000 | 1,120.00 | 1,890,000 | 500,000 | 278.00 | 500,000 | 1,080,000 |
| Repairs and maintenance | 1,777,000 | 2,769,800 | (35.84) | 11,086,100 | 8,080,400 | 37.20 | 6,434,400 | 6,378,713 |
| Printing and stationery | 757,945 | 507,048 | 49.48 | 1,667,906 | 1,488,018 | 12.09 | 1,552,018 | 2,090,131 |
| Insurance | 3,364,589 | 1,419,941 | 136.95 | 14,717,001 | 5,376,996 | 173.70 | 4,922,072 | 4,509,346 |
| Telephone and postage | 210,600 | 315,150 | (33.17) | 837,764 | 1,138,145 | (26.39) | 1,136,145 | 1,044,258 |
| Entertainment | 170,800 | 219,980 | (22.36) | 459,300 | 663,665 | (30.79) | 663,665 | 437,310 |
| Internet expenses | 114,130 | 112,641 | 1.32 | 8,084,163 | 319,250 | 2,432.24 | 319,250 | 2,216,314 |
| Industrial Training Fund | - | 422,454 | (100.00) | - | 1,689,814 | 100.00 | 1,689,814 | 1,035,626 |
| Bank Charges | 3,203,967 | 3,022,596 | 6.00 | 9,173,498 | 5,552,626 | 65.21 | 5,859,951 | |
| Training expenses | 328,000 | 920,500 | 100.00 | 984,373 | 1,115,500 | 100.00 | 1,115,500 | 171,500 |
| Local content tax | 7,339,230 | 7,192,766 | 2.04 | 20,199,227 | 16,021,865 | 26.07 | 14,755,069 | 5,621,771 |
| Subscription | 5,816,364 | 1,355,682 | 329.04 | 9,369,136 | 2,625,172 | 256.90 | 2,625,172 | 1,255,868 |
| Meal expenses | 2,542,300 | 1,461,450 | 73.96 | 9,308,300 | 5,310,820 | 75.27 | 5,310,820 | 3,824,540 |
| Corporate social responsibility | - | - | - | - | 1,178,000 | 100.00 | 1,178,000 | 5,000,000 |
| Balances written off | - | - | - | - | - | 100.00 | 8,000 | 17,344,935 |
| Auditors' remuneration | 875,000 | 1,000,000 | (12.50) | 3,500,000 | 4,000,000 | (12.50) | 3,500,000 | 2,500,000 |
| Security expenses | 3,543,932 | 602,809 | 487.90 | 8,192,452 | 3,517,730 | 132.89 | 3,819,135 | 2,780,373 |
| Provision for doubtful debts | - | - | - | - | - | 100.00 | - | - |
| Unrealized foreign exchange loss | - | - | - | - | - | 100.00 | 7,725,081 | 8,640,195 |
| Office and general expenses | 3,875,395 | 470,370 | 723.90 | 12,574,768 | 3,250,508 | 286.86 | | 5,177,586 |
| | 70,927,992 | 38,539,091 | 84.04 | 216,425,656 | 137,802,395 | 57.06 | 141,609,490 | 162,555,182 |



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

13. Finance cost

This represents interests charged by Guaranty Trust Bank Plc and Wema Bank Plc on invoice discounting and loan facilities obtained respectively by The Initiates Plc.

| | ACTUAL Q4 2024 N | HISTORY Q4 2023 N | CHANGE | ACTUAL YTD 2024 | HISTORY YTD 2023 | CHANGE | 2023 N | 2022 N |
|--|------------------------|-------------------------|---------------|----------------------|---------------------|---------------|--------------------|---------------------|
| Other financial charges | - | - | - | 4,290,441 | 4,516,429 | (5.00) | 18,391,402 | 16,625,415 |
| Interest on loans | 9,833,333 | 10,609,521 | (7.32) | 63,183,964 | 61,996,327 | 1.92 | 59,906,804 | 3,072,670 |
| | 9,833,333 | 10,609,521 | (7.32) | 67,474,404 | 66,512,757 | 1.45 | 78,298,206 | 19,698,085 |
| 14. Taxation | | | | | | | | |
| 14a Income tax expense | | | | | | | 90,673,352 | |
| Company income tax | 427,752,553 | 107,990,143 | 296.10 | 427,752,553 | 107,990,143 | 296.10 | 16,658,550 | 4,207,346 |
| Education tax | 32,152,734 | 8,117,259 | 296.10 | 32,152,734 | 8,117,259 | 296.10 | 25,989 | 690,285 |
| | 459,905,287 | 116,107,402 | 296.10 | 459,905,287 | 116,107,402 | 296.10 | 107,357,891 | 4,897,631 |
| | - | - | - | - | - | - | - | - |
| Prior year under-provision | - | - | - | - | - | - | - | 45,998,585 |
| Current tax expense | 459,905,287 | 116,107,402 | 296.10 | 459,905,287 | 116,107,402 | 296.10 | 107,357,891 | 50,896,216 |
| Deferred tax | - | - | - | - | - | - | - | (40,565,162) |
| Income tax expense as per profit or loss | 459,905,287 | 116,107,402 | 296.10 | 459,905,287 | 116,107,402 | 296.10 | 107,357,891 | 10,331,054 |
| 14b Current tax liabilities | | | | | | | | |
| Movement in Income tax liabilities | | | | | | | | |
| At 1 January | 17,953,330 | 7,550,070 | - | 17,953,330 | 7,550,070 | 137.79 | 7,550,070 | 834,428 |
| Adjustment | - | - | - | - | - | - | 1,527,225 | - |
| Prior year under-provision (note 13.1.1) | - | - | - | - | - | - | 24,580,523 | 45,998,585 |
| Payments during the year | (17,953,330) | 115,189,485 | - | (17,953,330) | 115,189,485 | - | (11,998,243) | - |
| Tax charge for the year | 459,905,287 | - | 296 | 459,905,287 | - | 100.00 | 107,357,891 | 4,897,631 |
| Withholding tax credit notes applied | - | - | - | - | - | - | (112,332,120) | (44,180,574) |
| At 31st Dec | 459,905,287 | 122,739,555 | 274.70 | 459,905,287 | 122,739,555 | 274.70 | 16,685,346 | 7,550,070 |
| 14.3 Reconciliation of effective tax rate | | | | | | | | |
| Profit for the year before tax | 1,425,841,845 | 359,967,142 | 296.10 | 1,425,841,845 | 359,967,142 | 296.10 | 519,773,114 | (43,371,614) |
| Unrealized exchange gains | - | - | - | - | - | - | (12,256,645) | - |
| | 1,425,841,845 | 359,967,142 | 296.10 | 1,425,841,845 | 359,967,142 | 296.10 | 507,516,469 | 4,207,346 |
| Income tax using the company's domestic tax rate of 30% | 427,752,553 | 107,990,143 | 296.10 | 427,752,553 | 107,990,143 | - | 152,254,941 | - |
| Education tax using tax rate of 2% | 28,516,837 | 7,199,343 | 296.10 | 28,516,837 | 7,199,343 | 296.10 | 10,395,462 | - |
| Police Trust Fund | 71,292 | 17,998 | - | 71,292 | 17,998 | - | 25,376 | - |
| NASENI | 3,564,605 | 899,918 | - | 3,564,605 | 899,918 | - | 1,268,791 | - |
| Tax effect on expenses not deductible for tax purposes | - | - | - | - | - | - | 15,763,621 | 690,285 |
| Tax effect on capital allowances | - | - | - | - | - | - | (75,912,153) | - |
| Tax effect on tax incentives | - | - | - | - | - | - | - | - |
| Prior year under-provision | - | - | - | - | - | - | 24,580,523 | - |
| Tax charge in income statement (Income tax and Education tax) | 459,905,287 | 116,107,402 | 296.10 | 459,905,287 | 116,107,402 | 296.10 | 128,376,561 | 690,285.00 |



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

14.4 Deferred tax liabilities

| | ACTUAL | HISTORICAL | CHANGE | | | Total |
|------------------------------|--------------------|-------------------|---------------|------------------------|---------------------|--------------------|
| | YTD 2024 | YTD 2023 | % | Accelerated tax | Depreciation | |
| | N | N | | N | | |
| At 1 January 2023 | 122,126,879 | 82,519,191 | 48.00 | 86,787,992 | 22,126,300 | 123,084,353 |
| Movement in the year | - | - | - | 14,170,061 | - | (40,565,162) |
| At 31 December 2023 | 122,126,879 | 82,519,191 | 48.00 | 100,958,053 | 22,126,300 | 82,519,191 |
| Movement in the year | - | - | - | - | - | 39,607,688 |
| At 31st December 2024 | 122,126,879 | 82,519,191 | 48.00 | 100,958,053 | 22,126,300 | 122,126,879 |

15. Property, Plant and Equipment

15.1 Summary

The carrying amount of property, plant and equipment is stated as follows;

| | ACTUAL | HISTORICAL | CHANGE | 2023 | 2022 |
|--------------------------|----------------------|----------------------|---------------|----------------------|----------------------|
| | YTD 2024 | YTD 2023 | % | N | N |
| | N | N | | | |
| Land | 71,733,787 | 71,166,593 | 0.80 | 71,166,592 | 65,500,000 |
| Buildings | 364,633,761 | 207,785,234 | 75.49 | 156,937,733 | 160,436,456 |
| Capital Work-in-Progress | 480,960,628 | 645,658,862 | (25.51) | 705,120,915 | 309,396,912 |
| Motor Vehicle | 9,412,479 | 13,944,604 | (32.50) | 581,490,071 | 594,820,385 |
| Plant and Machinery | 1,011,367,340 | 573,552,709 | 76.33 | 13,944,604 | 5,643,396 |
| Furniture and Fittings | 1,590,940 | 1,936 | 82,096.61 | 1,935 | 116,414 |
| Office & HSE Equipment | 1,980,360 | 2,449,962 | (19.17) | 2,471,652 | 4,291,004 |
| | 1,941,679,296 | 1,514,559,899 | 28.20 | 1,531,133,502 | 1,140,204,567 |



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

15.2A FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | Land N | Buildings N | Capital Work- in-Progress N | Motor Vehicle N | Plant and Machinery N | Furniture and Fittings N | Office & HSE Equipment N | Total N |
|---|-------------------|---------------------|-----------------------------------|--------------------|-----------------------------|--------------------------------|--------------------------------|----------------------|
| Deemed Cost | | | | | | | | |
| At 1 January 2024 | 71,733,787 | 234,398,173 | 485,100,628 | 18,128,500 | 1,213,570,177 | 5,800,299 | 16,351,501 | 2,045,083,066 |
| Addition in the period | - | 151,732,697 | (4,140,000) | - | 20,871,107 | 1,590,000 | - | 170,053,804 |
| Movement within the year | | | (480,960,628) | | 480,960,628 | | | |
| At 31st December 2024 | 71,733,787 | 386,130,870 | - | 18,128,500 | 1,715,401,912 | 7,390,299 | 16,351,501 | 2,215,136,869 |
| Accumulated Depreciation and impairment loss | | | | | | | | |
| At 1 January 2024 | - | (20,622,428) | - | (7,582,990) | (210,469,540) | (5,799,359) | (14,064,041) | (258,538,357) |
| Charge for the period | - | (874,681) | - | (1,133,031) | (12,604,404) | - | (307,100) | (14,919,216) |
| At 31st December 2024 | - | (21,497,109) | - | (8,716,021) | (223,073,944) | (5,799,359) | (14,371,140) | (273,457,573) |
| Carrying amount | | | | | | | | |
| At 31st December 2024 | 71,733,787 | 364,633,761 | - | 9,412,479 | 1,492,327,968 | 1,590,940 | 1,980,360 | 1,941,679,296 |
| At 31st December 2023 | 71,166,592 | 156,937,733 | 705,120,915 | 581,490,071 | 13,944,604 | 1,935 | 2,471,652 | 1,531,133,502 |

15.2B FOR THE PERIOD ENDED 31ST DECEMBER 2023

Analysis of Property, Plant and Equipment

| | Land N | Buildings N | Capital Work- in-Progress (note 15.4) N | Plant and Machinery N | Motor Vehicles N | Furniture and Fittings N | Office & HSE Equipment N | Total N |
|---|-------------------|--------------------|--|-----------------------------|---------------------|--------------------------------|--------------------------------|----------------------|
| Deemed Cost | | | | | | | | |
| At 1 January 2022 | 43,600,000 | 174,696,120 | - | 727,884,076 | - | 6,513,400 | 15,629,642 | 968,323,238 |
| Assets written off | - | - | - | (18,689,272) | - | (713,101) | (2,144,592) | (21,546,965) |
| Additions in the year | 21,900,000 | 240,000 | 309,396,912 | 28,754,679 | 7,128,500 | - | 1,199,480 | 368,619,571 |
| Disposals | - | - | - | - | - | - | - | - |
| At 31 December 2022 | 65,500,000 | 174,936,120 | 309,396,912 | 737,949,483 | 7,128,500 | 5,800,299 | 14,684,530 | 1,315,395,844 |
| Additions in the year | 5,666,592 | - | 130,666,119 | 24,831,919 | 11,000,000 | - | 966,970 | 173,131,600 |
| Transfer | - | - | 265,057,884 | - | - | - | - | 265,057,884 |
| Disposals | - | - | - | - | - | - | - | - |
| At 31 December 2023 | 71,166,592 | 156,937,733 | 705,120,915 | 581,490,071 | 13,944,604 | 1,935 | 2,471,652 | 1,531,133,502 |
| Accumulated Depreciation and impairment loss | | | | | | | | |
| At 1 January 2022 | - | 11,002,942 | - | 108,289,042 | - | 6,169,160 | 8,998,610 | 134,459,754 |
| Written off | - | - | - | (1,421,155) | - | (660,424) | (1,104,782) | (3,186,361) |
| Charge for the year | - | 3,496,722 | - | 36,261,211 | 1,485,104 | 175,149 | 2,499,698 | 43,917,884 |
| Disposals | - | - | - | - | - | - | - | - |
| At 31 December 2022 | - | 14,499,664 | - | 143,129,098 | 1,485,104 | 5,683,885 | 10,393,526 | 175,191,277 |
| Charge for the year | - | 3,498,723 | - | 38,162,233 | 2,698,792 | 114,479 | 2,786,322 | 47,260,549 |
| Disposals | - | - | - | - | - | - | - | - |
| At 31 December 2023 | - | 17,998,387 | - | 181,291,331 | 4,183,896 | 5,798,364 | 13,179,848 | 222,451,826 |
| Carrying amount | | | | | | | | |
| At 31 December 2023 | 71,166,592 | 156,937,733 | 705,120,915 | 581,490,071 | 13,944,604 | 1,935 | 2,471,652 | 1,531,133,502 |
| At 31 December 2022 | 65,500,000 | 160,436,456 | 309,396,912 | 594,820,385 | 5,643,396 | 116,414 | 4,291,004 | 1,140,204,567 |



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

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/2012/0000000254) 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.

15.4 Capital work-in-progress

These represent costs of property, plant and equipment acquired year which have not been put to use as at 31st December

| | ACTUAL YTD 2024 N | HISTORICAL YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|---|-------------------------|-----------------------------|-----------------|--------------------|--------------------|
| Thermal Desorption Unit (TDU) with components | - | 148,968,234 | (100.00) | 148,968,234 | 148,968,234 |
| High Pressure Pump | - | 144,698,678 | - | 144,698,678 | |
| 500KVA Soundproof Perkins Generator | - | 15,730,000 | (100.00) | 15,730,000 | |
| Gerotto Robotic Tank Cleaning Equipment | - | | 100.00 | 302,879,950 | 144,698,678 |
| Fabrication of Water Based Mud and Waste Water Treatment Plant | - | | 100.00 | 33,382,000 | 15,730,000 |
| Construction of TDU Building | - | | - | 59,462,053 | |
| | - | 309,396,912 | (100.00) | 705,120,915 | 309,396,912 |
| 15.5 Depreciation | | | | | |
| Cost of sales | 50,098,083 | 37,376,675 | 34.04 | 38,162,233 | 36,261,211 |
| Administrative expenses | 9,212,264 | 9,338,641 | (1.35) | 9,098,316 | 7,656,673 |
| | 59,310,347 | 46,715,316 | 26.96 | 47,260,549 | 43,917,884 |
| 15.6 Security | | | | | |
| All the Company's property, plant and equipment were pledged as security as at 30th September 2024. | | | | | |
| 16. Asset-in-transit | 152,167,360 | 335,879,950 | (54.70) | 120,589,302 | 265,057,884 |
| 17. Other non-current assets | | | | | |
| Deferred Cost - Current | 3,870,000 | 19,608,067 | (80.26) | 10,167,467 | 19,608,067 |
| Deferred Cost - Non Current | 4,595,625 | 11,610,000 | (60.42) | 7,740,000 | 11,610,000 |
| | 8,465,625 | 31,218,067 | (72.88) | 17,907,467 | 31,218,067 |

17.1 Prepaid fees on loan

These represent non-current portion of the fees charged by Providus Bank Plc on Bank Guarantee for loan facility of N700.0 million obtained from Bank of Industry in 2021 by The Initiates Plc. This also include legal fees paid to Bank of Industry and also fees charged by Consultants. The loan facility has a tenor of 5 years.

17.2 Deferred costs

These represent non-current portion of costs on environmental evaluation study as required by the Ministry of Environment.

| | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|------------------------|-------------------------|--------------------------|--------------|-------------------|-------------------|
| 18. Inventories | | | | | |
| Technical Store | 9,965,209 | 7,568,779 | 31.66 | 550,064.00 | 53,257.00 |
| QHSE PPEs | 2,180,700 | 5,142,667 | (57.60) | 5,142,666.00 | 6,896,079 |
| Stationeries | 201,601 | 212,856 | (5.29) | 212,856.00 | 2,272,867 |
| Toiletries | 180,899 | 102,555 | 76.39 | 7,568,779.00 | 286,994 |
| Diesel | 13,853,250 | 1,027,964 | 1,247.64 | 102,555.00 | 5,422,750 |
| | 26,381,658 | 14,054,821 | 87.71 | 13,576,920 | 14,931,947 |

The value of inventories recognised as an expense during the period was N219.012 million (2023: N171.88 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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FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL YTD 2024 | HISTORY YTD 2023 | CHANGE | 2023 | 2022 |
|---|-------------------|--------------------|----------------|--------------------|--------------------|
| | N | N | % | N | N |
| 21. Cash and cash equivalents | | | | | |
| Cash and cash equivalents represent cash in hand and at bank as at end of period. | | | | | |
| Cash in hand | 106,400 | 185,003 | (42.49) | 185,003 | 59,900 |
| Cash at bank | 31,187,349 | 178,644,441 | (82.54) | 193,375,992 | 153,381,150 |
| | 31,293,749 | 178,829,445 | (82.50) | 193,560,995 | 153,441,050 |
| Amount wrongly credited | 490,000 | | | | - |
| Short Term Investment (note 19.1) | 3,844,524 | 6,124,420 | (37.23) | 6,102,460 | 5,587,677 |
| | 35,628,273 | 184,953,865 | (80.74) | 199,663,455 | 159,028,727 |

21.1 Short Term Investment

On August 19th 2024 , N3,844,524 was invested in Apel Investment Trust which had tenors of 182 days with the interest rates of 13.50% per annum.

22. Current tax assets

These represent withholding tax receivable as at year end.

| | ACTUAL YTD 2024 | HISTORY YTD 2023 | CHANGE | 2023 | 2022 |
|--|--------------------|--------------------|----------------|-------------------|-------------------|
| | N | N | % | N | N |
| At 1 January | 72,542,118 | 62,910,235 | 15.31 | 62,910,235 | 78,079,975 |
| Withholding tax in the year | 40,726,532 | 85,458,755 | (52.34) | 107,109,325 | 29,010,834 |
| Withholding tax utilised during the year | - | - | - | (112,332,120) | (44,180,574) |
| At 31st December | 113,268,650 | 148,368,990 | (23.66) | 57,687,440 | 62,910,235 |
| 23. Other current assets | | | | | |
| Prepaid security and community expenses | | 35,301,028 | - | 10,445,539 | - |
| Prepaid insurance | 7,553,381 | 6,252,361 | 20.81 | 9,440,600 | 4,332,699 |
| Prepaid fees on loan - Current | 9,440,600 | 2,902,500 | 225.26 | 3,870,000 | 9,440,600 |
| Prepaid fees on loan - Non - Current | 10,167,467 | 8,707,500 | 16.77 | - | 3,870,000 |
| Prepaid Medicals | 5,263,027 | 3,805,510 | 38.30 | - | - |
| Prepaid expenses | 32,424,474 | 56,968,900 | (43.08) | 23,756,139 | 17,643,299 |



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|---|-------------------------|--------------------------|-------------|--------------------|--------------------|
| 24. Share capital | | | | | |
| 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 |
| 24.1 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. | | | | | |
| 25. Share premium | | | | | |
| At 1 January | 17,780,000 | 17,780,000 | - | 17,780,000 | 17,780,000 |
| At 31st December | 17,780,000 | 17,780,000 | - | 17,780,000 | 17,780,000 |
| 26. Revaluation Reserve | | | | | |
| On 5 November 2018, the company's property, plant and equipment were revalued by Messrs. Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/0000000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation reserve account. | | | | | |
| At 1 January | 303,473,535 | 303,473,535 | - | 303,473,534 | 303,473,534 |
| At 31st December | 303,473,535 | 303,473,535 | - | 303,473,534 | 303,473,534 |



**THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2024**

| | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|---|-------------------------|--------------------------|-----------------|---------------------|--------------------|
| 27. Retained earnings | | | | | |
| At 1 January | 411,981,089 | (53,379,368) | (871.80) | (53,379,368) | 77,564,598 |
| Prior year adjustments | - | 9,179 | - | 117,133,445 | |
| Dividend paid | (53,398,893) | | 100.00 | | |
| Profit/(loss) for the year | 1,266,846,894 | 364,125,189 | 247.92 | 348,227,012 | (54,029,077) |
| | 1,625,429,089 | 310,755,000 | 423.06 | 411,981,089 | 23,535,521 |
| At 31st December | 1,625,429,089 | 310,755,000 | 423.06 | 411,981,089 | 23,535,521 |
| 28. Trade and other payables | | | | | |
| Trade payables | 844,716,119 | 238,203,749 | 254.62 | 254,331,657 | 401,816,766 |
| Dividend payable (note 28.1) | 3,884,093 | 6,191,409 | (37.27) | 6,706,191 | 6,191,409 |
| Advances from customer | - | 33,325,271 | (100.00) | - | 35,488,893 |
| Other payables | 139,416 | 155,621 | 100.00 | 139,416 | 155,621 |
| Accruals (note 28.2) | 463,920,855 | 30,837,876 | 1,404.39 | 34,940,695 | 15,018,315 |
| | 1,312,660,483 | 308,713,926 | 325.20 | 296,117,960 | 458,671,004 |
| 28.1 Dividend payable | | | | | |
| At 1 January | 6,706,191 | 6,191,409 | 8.31 | 5,315,094 | 3,603,731 |
| Unclaimed dividends | - | - | - | - | 3,010,623 |
| Prior Year Dividends approved during the year | - | - | - | - | 876,315 |
| Interest on unclaimed dividends | 283,331 | - | 100.00 | 1,391,097 | |
| Payments made during the year | (3,105,429) | - | 100.00 | | (1,299,260) |
| At 31st December | 3,884,093 | 6,191,409 | (37.27) | 6,706,191 | 6,191,409 |
| 28.2 Accruals | | | | | |
| Accrued Auditors Fees | 3,500,000 | 2,500,000 | 40.00 | 3,500,000 | 2,500,000 |
| Accrued Professional Fees | 2,500,000 | 1,500,000 | 66.67 | 1,500,000 | 2,750,000 |
| Accrued Directors' Fees | 5,200,000 | 11,287,671 | (53.93) | 125,800 | 3,911,547 |
| Accrued Interest on Loan | 17,101,000 | - | 100.00 | 11,287,671 | 1,500,000 |
| Accrued Interest on Unclaimed Dividend | 1,674,000 | - | 100.00 | 161,445 | 25,800 |
| Accrued Performance Bonus | 20,000,000 | 2,500,000 | 100.00 | - | - |
| Accrued Staff Salary | - | - | 100.00 | - | - |
| Accrued Board Expenses | - | 13,050,205 | 100.00 | 9,914 | 4,158,308 |
| Accrued Contract Staff | 2,400,000 | - | 100.00 | 1,200,000 | 172,660.15 |
| Accrued Security & Com Expense | - | - | - | 1,555,590 | |
| Accrued Waste Disposal and Treatment | 409,020,000 | - | - | 13,100,275 | |
| Accrued Industrial Training Fund | 2,525,855 | - | 100.00 | 2,500,000 | |
| | 463,920,855 | 30,837,876 | 1,404.39 | 34,940,695 | 15,018,315 |
| 29. Other current tax liabilities | | | | | |
| Pay As You Earn | 936,071 | 781,426 | 19.79 | 781,426 | 1,475,348 |
| Withholding tax payable | 59,126,445 | 62,805,502 | (5.86) | 31,036,290 | 39,970,017 |
| Local Content Tax Liability | - | 1,266,796 | (100.00) | 40,576,911 | 1,266,796 |
| Value Added Tax - Suppliers | 87,580,826 | 72,998,740 | 19.98 | - | 40,962,012 |
| Value Added Tax - Customers | 224,291,773 | 166,420,161 | 34.77 | 46,452,307 | 42,465,624 |
| At 31st December | 371,935,115 | 304,272,625 | 22.24 | 118,846,934 | 126,139,797 |



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | CHANGE % | 2023 N | 2022 N |
|---|-------------------------|--------------------------|---------------|--------------------|--------------------|
| 30. Employees' benefits | | | | | |
| Defined contribution plans (note 27.1) | 4,492,394 | 2,995,027 | 50.00 | 2,995,027 | 2,937,537 |
| 30.1 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 | 2,995,027 | 2,937,537 | 1.96 | 2,937,537 | 926,945 |
| Provision for the year | 11,131,289 | 13,844,105 | (19.60) | 13,082,609 | 10,971,707 |
| Payments made during the period | (9,633,922) | (13,786,616) | (30.12) | (13,025,119) | (8,961,115) |
| At 31st December | 4,492,394 | 2,995,027 | 50.00 | 2,995,027 | 2,937,537 |
| 31 Borrowings | 350,000,000 | 550,000,000 | - | | 700,000,000 |
| 31.1. Loan facility from Bank of Industry | | | | | |
| At 1 January | 550,000,000 | 700,000,000 | (21.43) | 700,000,000 | 700,000,000 |
| Loan obtained in the year | - | - | - | - | - |
| Repayments in the year | (200,000,000) | (150,000,000) | 100.00 | (150,000,000) | |
| | 350,000,000 | 550,000,000 | - | 550,000,000 | 700,000,000 |
| 31.2. Short Term Borrowings | | | | | |
| These represent loan facility of \$150 Thousand USD obtained in 2023 from Wema Bank Plc with a tenor of 4 months and interest rate of 12% per annum and \$250 Thousand from Providus Bank. WE have \$130,000 outstanding at the time of this report. | | | | | |
| At 1 January | 269,817,900 | 117,971,952 | 128.71 | 134,908,950 | |
| | | | | 134,908,950 | |
| Loan in the year | 593,744,690 | 123,236,372 | 100.00 | - | 5,000,000 |
| Repayments in the year | (669,567,900) | - | 100.00 | | (5,000,000) |
| At 31st December | 193,994,690 | 241,208,324 | 100.00 | 269,817,900 | - |

31.3 Borrowings

These represent loan facility of N700.0 million obtained by The Initiates Plc from Bank of Industry in 2021 for procurement of plant and machinery for the treatment and disposal of oil drilling waste as well as industrial cleaning and decontamination services. The loan has a tenor of 5 years with one (1) year moratorium and interest rate of 8% per annum commencing from the date of first disbursement. The loan was secured with a Bank Guarantee from Providus Bank Plc. The security for the guarantee is as follows:

- Mortgage Debenture on the Company's assets situated at Plot 400 Location Road, Umuebule 5, Aba/PH Expressway, Port Harcourt, Rivers State, to be valued by a Bank accredited valuer.
- Legal Mortgage on a property in acceptable location in Lagos or Abuja.
- Irrevocable domiciliation of contract proceeds to Providus Bank.
- Deposit of a minimum of 25% of the facility amount in a DSRA account to be utilized to service both the principal and accrued interest on the facility for the 1st year. This must be replenished on a regular basis from the Company's operational cash flow.
- Personal Guarantee of the Managing Director and another director supported by notarized Statements of Networth.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL Q4 2024 N | HISTORY Q4 2023 N | ACTUAL YTD 2024 N | HISTORY YTD 2023 N | 2023 N | 2022 N |
|--|------------------------|-------------------------|-------------------------|--------------------------|---------------|---------------|
| 32. Information regarding directors and employees | | | | | | |
| 32.1. Directors | | | | | | |
| Directors' emoluments comprises: | | | | | | |
| Fees | - | 1,912,500 | 5,200,000 | - | 2,750,000 | - |
| Others - salaries and allowances | 6,510,000 | 6,510,000 | 26,040,000 | 27,360,000 | 27,360,000 | 18,500,000 |
| | 6,510,000 | 8,422,500 | 31,240,000 | 27,360,000 | 30,110,000 | 18,500,000 |
| Highest paid Director (Managing Director) - emolument | 6,510,000 | 8,422,500 | 31,240,000 | 27,360,000 | 30,110,000 | 18,500,000 |
| Other directors with emoluments | Number Nil | 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 | 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 | 1 | 1 | 1 | 1 |
| 32.2 Employees | | | | | | |
| Average numbers of persons employed during the period: | | | | Number | | |
| Management | 10 | 10 | 10 | 11 | 9 | 10 |
| Senior Staff | 12 | 11 | 11 | 12 | 13 | 11 |
| Junior Staff | 33 | 29 | 28 | 26 | 28 | 28 |
| | 55 | 50 | 49 | 49 | 50 | 49 |
| Aggregate payroll costs | | | | | | |
| | N | N | N | N | | N |
| Salaries and allowances | 55,176,189 | 25,554,428 | 118,316,181 | 74,739,419 | 115,384,096 | 92,223,763 |
| The number of employees in Nigeria with gross emoluments within the bands stated were: | | | | Number | Number | Number |
| N100,000 | - | 3 | - | 3 | | - |
| N500,001 | 10 | 22 | 10 | 22 | 4 | 20 |
| N1,000,001 | 20 | 12 | 19 | 12 | 26 | 12 |
| N1,500,001 | 25 | 13 | 20 | 12 | 20 | 17 |
| | 55 | 50 | 49 | 49 | 50 | 49 |



DOCUMENT TITLE: 2024 FOURTH QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

33. Guarantees and other financial commitments

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

34. 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.

35. Contingent liabilities

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

36. Capital commitments

There were no capital commitments at 31st December 2024

37. 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.

38. Earnings per Share

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

| | ACTUAL Q4 2024 N | HISTORY Q4 2023 N | ACTUAL YTD 2024 | HISTORY YTD 2023 % | 2023 N | 2022 N |
|--|------------------------|-------------------------|--------------------|--------------------------|-------------|--------------|
| Profit attributable to ordinary shareholders (in naira) | 460,563,212 | 176,502,513 | 1,266,846,894 | 364,125,189 | 348,227,012 | (54,029,077) |
| Number of ordinary shares issued and fully paid for basic earnings per share (in | 889,981,552 | 889,981,552 | 889,981,554 | 889,981,555 | 889,981,556 | 889,981,552 |
| Basic earnings per 50 kobo share | 51.75 | 19.83 | 142.35 | 40.91 | 39 | (0.06) |



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THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2024

39. Professional firms

The following firms provided professional services to the Company and their FRC registration numbers are stated as follows:

Audit Firm

The audit firm is Madu, Onyekwena & Co. The firm is responsible for the audit of the Company's records and provision of tax consultancy services. The FRC number is FRC/2013/ICAN/00000004886.

Estate Surveyors and Valuers

Jide Taiwo & Co. is the firm that values the Company's assets. The FRC registration number is FRC/2012/00000000254.

Company Secretary

Mrs. Olaide Odejebi is the Company's Secretary. She is responsible for filing accounts with Corporate Affairs Commission, Securities and Exchange Commission together with other secretarial functions. The FRC registration number is FRC/2017/PRO/NBA/002/00000016739.

Registrars

Apel Capital Registrars Limited is the Company's Registrars. They are responsible for keeping the records of shareholders and paying dividends. The FRC registration number is FRC/2017/ICAN/00000014821.



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DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

OTHER NATIONAL DISCLOSURES



THE INITIATES PLC

STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED 31ST DECEMBER 2024

| | ACTUAL | | HISTORY | | ACTUAL | | HISTORY | | 2023 | | 2022 | |
|---|----------------------|-------------|--------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|------|--------------------|------------|
| | Q4 2024 | | Q4 2023 | | YTD 2024 | | YTD 2023 | | N | | N | |
| | N | | N | | N | | N | | N | N | | N |
| Revenue from contracts with customers | 2,006,039,625 | | 493,977,877 | | 4,566,579,591 | | 1,819,786,900 | | 1,849,471,769 | | 841,469,215 | |
| Other income | - | | - | | - | | - | | 147,854,186 | | 17,447,479 | |
| | 2,006,039,625 | | 493,977,877 | | 4,566,579,591 | | 1,819,786,900 | | 1,997,325,955 | | 858,916,694 | |
| Less: Bought in materials and services | | | | | | | | | | | | |
| Imported | | | | | | | | | | | | |
| Local | 1,238,938,470 | | 380,145,695 | | 2,963,111,218 | | 1,338,365,023 | | 1,314,908,196 | | 812,145,246 | |
| Value added | 767,101,155 | 100% | 113,832,182 | 100% | 1,603,468,373 | 100% | 481,421,876 | 100% | 682,417,759 | 100% | 46,771,448 | 100% |
| Applied as follows: | | | | | | | | | | | | |
| To pay employees' salaries wages and other benefits | 55,176,189 | 7 | 25,554,428 | 22 | 118,316,181 | 7 | 74,739,419 | 16 | 115,384,096 | 17 | 92,223,763 | 138 |
| To pay Government taxation | 223,944,748 | 29 | 24,462,009 | 21 | 459,905,287 | 29 | 116,107,402 | 24 | 131,938,414 | 19 | 690,285 | 2 |
| To provide for enhancement of assets and expansion: | | | | | | | | | | | | |
| - deferred tax | - | - | - | - | - | - | - | - | 39,607,688 | 6 | (40,565,162) | 30 |
| - depreciation of fixed assets | 17,630,290 | 2 | 12,438,321 | 11 | 59,310,347 | 4 | 46,715,316 | 10 | 47,260,549 | 7 | 43,917,884 | 95 |
| - retained in the business | 470,349,928 | 61 | 51,377,424 | 45 | 965,936,558 | 60 | 243,859,740 | 51 | 348,227,012 | 51 | (53,702,668) | (165) |
| | 767,101,155 | 100 | 113,832,182 | 100 | 1,603,468,373 | 100 | 481,421,876 | 100 | 682,417,759 | 100 | 42,564,102 | 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.

**THE INITIATES PLC****FIVE YEARS FINANCIAL SUMMARY**

| | ← 2023 N | 2022 N | 31 December 2021 N | 2020 N | 2019 N → |
|---|----------------------|----------------------|--------------------------|----------------------|----------------------|
| Statement of Financial Position | | | | | |
| Assets employed | | | | | |
| Property, plant and equipment | 1,531,133,502 | 1,140,204,567 | 833,863,484 | 855,137,712 | 864,209,717 |
| Asset-in-transit | 120,589,302 | 265,057,884 | - | - | - |
| Other non-current assets | 17,907,467 | 31,218,067 | 29,048,667 | 10,000,000 | - |
| Investments | 105,259,214 | 105,140,247 | - | - | - |
| Current Assets | 784,878,064 | 548,397,709 | 931,537,536 | 279,201,154 | 285,090,412 |
| Total Assets | 2,559,767,549 | 2,090,018,474 | 1,794,449,687 | 1,144,338,866 | 1,149,300,129 |
| Equity | | | | | |
| Issued capital | 444,990,776 | 444,990,776 | 444,990,776 | 444,990,776 | 444,990,776 |
| Share premium | 17,780,000 | 17,780,000 | 17,780,000 | 17,780,000 | 17,780,000 |
| Revaluation reserve | 303,473,535 | 303,473,535 | 303,473,535 | 303,473,535 | 303,473,535 |
| Retained earnings | 411,981,089 | (53,379,368) | 323,300 | 77,564,598 | 161,389,109 |
| | 1,178,225,400 | 712,864,943 | 766,567,611 | 843,808,909 | 927,633,420 |
| Liabilities | | | | | |
| Non-current liabilities | 672,126,879 | 782,519,191 | 823,084,353 | 108,914,292 | 92,186,159 |
| Current liabilities | 709,415,270 | 594,634,340 | 204,797,723 | 191,615,665 | 129,480,550 |
| Total liabilities and equity | 2,559,767,549 | 2,090,018,474 | 1,794,449,687 | 1,144,338,866 | 1,149,300,129 |
| Statement of Profit or Loss and Other Comprehensive Income | | | | | |
| Revenue | 1,849,471,769 | 841,469,215 | 333,899,008 | 448,013,531 | 550,218,779 |
| Profit/(loss) before taxation | 519,773,114 | (43,371,614) | (62,236,489) | (5,683,148) | 95,820,558 |
| Income tax expense | (171,546,102) | (10,331,054) | (15,004,809) | (78,141,363) | (53,551,712) |
| Profit/(loss) after taxation | 348,227,012 | (53,702,668) | (77,241,298) | (83,824,511) | 42,268,846 |
| 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/(loss) for the year | 348,227,012 | (53,702,668) | (77,241,298) | (83,824,511) | 263,531,853 |
| Basic earnings/(loss) per share (kobo) | 39 | (6) | (9) | 5 | 5 |
| Net assets per share (kobo) | 132 | 80 | 86 | 95 | 104 |

Basic earnings/(loss) per share are calculated on the profit/(loss) 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.