

2025

THE INITIATES PLC
2025 AUDITED ACCOUNT
FOR PERIOD ENDED 31ST DECEMBER 2025



TIP FINANCE DEPARTMENT

12/31/2025



MADU, ONYEKWENA & CO.

(CHARTERED ACCOUNTANTS)

THE INITIATES PLC

**FINANCIAL STATEMENTS
31 DECEMBER 2025**

THE INITIATES PLC

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

THE INITIATES PLC

FOR THE YEAR ENDED 31 DECEMBER 2025

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REPORT OF THE DIRECTORS

The Directors have the pleasure of submitting to the members their report as well as the Audited Financial Statement for the period ended 31st December, 2025.

- Legal Form:** The Company was incorporated as a Private Limited Liability Company under the Laws of the Federation of Nigeria on the 3rd day of March, 1995 with RC 266755. It became a Public limited Company on the 24th day of June, 2015, and was Listed on the floor of the Nigerian Stock Exchange (NSE) on the 25th day of October, 2016.
- Principal Activities:** The Company is engaged in Waste Management, and Industrial Cleaning Services to both private and public sectors including the Oil and Gas Industry.
- Result of Operations for the year:**

ITEM	DEC 31 ST 2025	DEC 31 ST 2024	CHANGE
	N'M	N'M	%
REVENUE	11,698.63	4,663.47	150.86
DIRECT COST	5,536.33	2,153.64	157.07
GROSS PROFIT	6,162.29	2,509.83	145.53
OTHER INCOME	73.84	189.91	(81.12)
TOTAL INDIRECT COST	1,370.61	647.3	111.74
SHARE OF PROFIT OF ASSOCIATE	206.00	-	100.00
PROFIT BEFORE TAX	5,071.53	2,052.44	147.10
PROVISION FOR TAX	1,683.47	672.76	150.23
PROFIT AFTER TAX	3,388.06	1,379.68	145.57
NON-CURRENT ASSET	2,698.52	1,930.27	39.80
ASSET – IN- TRANSIT	1,040.26	150.05	593.27
OTHER NON – CURRENT ASSET	-	4.6	(100.00)
INTANGIBLE ASSET	10.97	-	100.00
INVESTMENT	239.47	105.62	126.73
CURRENT ASSET	7,738.14	2,929.73	164.12
TOTAL ASSET	11,727.34	5,120.26	129.04
NON- CURRENT LIABILITIES	577.24	617.04	(6.45)
CURRENT LIABILITIES	5,396.50	2,029.22	165.94
WORKING CAPITAL	2,341.64	900.5	160.04
NET ASSET	5,753.61	2,474.00	132.56



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Year	Names of Directors	Direct Shareholding	Indirect Shareholding
31 st Dec, 2024	Mr. Joe Ogbonna Anosikeh	20,295,796	
	Mr. Reuben Mustapha Ossai	190,695,237	
	Prof. Edward Alikor	1,126,761	
	Mr. Joseph Ebinum	NIL	37,550,000
31 st Dec 2025	Mr. Joe Ogbonna Anosikeh	15,875,274	
	Mr. Reuben Mustapha Ossai	163,088,334	
	Prof. Edward Alikor	1,126,761	
	Mr. Joseph Ebinum	NIL	37,550,000
28 th Jan 2026	Mr. Joe Ogbonna Anosikeh	15,875,274	
	Mr. Reuben Mustapha Ossai	163,088,334	
	Prof. Edward Alikor	1,126,761	
	Mr. Joseph Ebinum	NIL	37,550,000

Note: The Company represented by Director with indirect shareholding is: **BELL IYKE LIMITED**

7. **Directors' interest in Contracts:** In line with the provision of section 303 of CAMA 2020, no Director has any interest (directly/indirectly) in any contract or proposed contract with the Company as at 31st December, 2025 or the date of this return.
8. **Analysis of Shareholding:** The shares of the Company were fully owned by Nigerian citizens and Institutions. The following shareholders held more than 5% of the shares of the Company as at 31st December, 2025:

LIST OF SHAREHOLDERS WITH 5% AND ABOVE

S/N	NAME	HOLDINGS	%
1	OSSAI REUBEN M	163,088,334	18.32
2	AFOLAYAN SAMUEL OLAJIDE	117,727,359	13.23
3	RICHGATE INVESTMENT SECURITIES LIMITED	50,750,000	5.70
		331,565,693	37.25

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	Phone +234 20 84 669510	www.initiatesgroup.com	



9. **Fraud/Forgery:** There was no forgery recorded during the year under review.
10. **Format of Financial Statement:** The financial statement of The Initiates Plc have been prepared in accordance with the Financial reporting council of Nigeria as well as the International Financial Reporting Standards.
11. **Employment and Employee:**
Employee welfare: The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various forms of insurance policies including group life insurance to adequately secure and protect its employees. The Company also provides allowances to its employees at all levels for feeding, transport and housing. Equal opportunities are also given during a highly competitive recruitment process and there is no discrimination on gender, race or tribe.
12. **Free Float:** The Free float of a company is the proportion of its shares that are held by investors who are likely to be willing to trade the shares on the Securities Exchanges. In line with the Nigerian Stock Exchange's rules, the Company's free float as at 31st December 2025 is above 20% as shown below:

 International Solid Waste Association	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO G. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) DR. BASSEY, DOROTHY (I.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oyigbo Junction Umuebule 5 (502103) P.O. Box 7242 Port Harcourt	 9001:2015 14001:2015
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THE INITIATES PLC

SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS
AS AT THE PERIOD ENDED 31ST DECEMBER 2025

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: 31ST DECEMBER
REPORTING PERIOD: 2025 FOURTH QUARTER (1ST OCTOBER - 31ST DECEMBER 2025)
SHARE PRICE AS AT REPORTING DATE: N13.30 (2024: N2.50)

DESCRIPTION	2025		2024	
	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%
		266,954,465.60		
Details of Substantial Shareholdings (5% and above)				
OSSAI REUBEN M	163,089,334	18.32	190,695,237	21.43
AFOLAYAN SAMUEL OLAIDE	117,727,399	13.23	137,796,925	15.48
RICHGATE INVEST SEC LTD	80,750,000	9.07	106,400,000	11.96
OBOH-OZOHHEREBE GORDON	-	-	56,568,412	6.35
Total Substantial Shareholdings	331,565,953	37.26	493,462,574	55.45
Details of Directors Shareholdings (direct and indirect), excluding directors holding substantial interests				
ANOSIKEH JOE OGSONNA	15,825,274	1.78	20,295,796	2.28
ALIKOR ACHI EDWARD	1,129,761	0.13	1,129,761	0.13
EBINUM JOSEPH (INDIRECT - BELL NYKE LIMITED)	37,550,000	4.22	37,550,000	4.22
GODWIN OVIEMUNO OBOH	1,529,128	0.17	-	-
Total Directors' Shareholdings	56,031,163	6.30	59,972,557	6.73
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	496,952,414	55.84	332,114,139	37.32
Free Float in Value	N	6,609,467,106.20	N	830,285,347.50

(A) THE INITIATES Plc with a free float percentage of 55.84% as at 31st December 2025, 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 N6,609,467,106.20 as at 31st December 2025, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.

13. **Auditors:** The Auditors, Messer's Madu, Onyekwena & co, indicated their willingness to continue in office in accordance with section 401(1) & (2) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004.

Dated this 28th Day of January, 2026

By Order of the Board

OLAIDE ODEJOBI
Company Secretary
FRC/2017/PRO/NBA/002/00000016739

	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO G. (N.E.D) PROF. ALIKOR, E.A.O (N.E.D) EBINUM, J. (N.E.D) DR. BASSEY, DOROTHY (L.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oyiibo Junction Uruehule 5 (502103) P.O. Box 7242 Port Harcourt	
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CORPORATE GOVERNANCE REPORT

The Initiates Plc. recognises Corporate Governance as its bedrock in the attainment of the Company's goals and objectives especially as it relates to sound environmental protection, acceptable corporate social responsibility and compliance with statutory regulation. The Company continuously thrives in achieving best practices in accordance with the laws and regulations of Nigeria such as the Code of Corporate Governance for Public Companies 2011, the Companies and Allied Matters Act Capc20, LFN2004, Post listing rules of the Nigerian Stock Exchange, International Financial Reporting Standard etc.

In achieving these, the Board of Directors is responsible for the following:

1. Develop a strategy defining the role of the Directors in the overall attainment and achievement of the Company's goals in line with TIP's vision and Business values.
2. Maintain proper fiscal values by ensuring the integrity of financial statements, monitor spending
3. Select, Manage and support the Chief Executive Officer in the formulation of policies and the conduct of Business
4. Oversee the effectiveness and adequacy of Internal Control System
5. Set up Employment procedures as it relates to Management staff
6. Ensure compliance with Laws and regulations
7. Ensure compliance with Board Charters
8. Ensure effective communication with Shareholders
9. Formulate the Management of Risk management framework

The Board exercises its oversight functions through Board Meetings and its Committees. As at the date of this report, the Committees of the Board are:

Committee(Audit & Finance)	Membership Status
Christian Ugochukwu Nwanma	Shareholder/Chairman
Mr.Olushola Adegbite	Shareholder/member
Prof.Edward Alikor	Director/member
Mr.Joe Ebinum	Director/member



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Committee(Corporate Governance/Compensation) Membership Status

Oboh-Ozoherebe .G.	Chairman/ N.E.D
Mr.Joe Ebinum	N.E.D./Member
Prof.Edward Alikor	N.E.D/ Member

Committee(Risk and HSE)

Membership Status

Prof.Edward Alikor	Chairman/N,E,D
Ossai, Reuben Mustapha	Member



Statutory Audit Committee: The Committee held five meetings during the period under review (28/1/25, 18/3/25, 23/4/25, 23/7/25 and 25/10/2025;) to perform its roles and responsibilities as stated in section 404(7) of CAMA,2020 and the SEC Code of Corporate Governance(2011)

THE BOARD OF DIRECTORS

During the year under review, the Board of Directors was made up of 6 directors comprising a Chairman, a Chief Executive Officer, (3) Non-executive Director, and an independent Director, The position of the Chairman is distinct from that of the Chief Executive officer to ensure transparency and separation of power as provided in the Code of Corporate Governance for Public Companies, 2011. The Board held five meetings during the period under review (29th Jan 2025; 19th March 2025; 23rd April 2025; 23rd July 2025 and 24th April 2025)

ATTENDANCE AT BOARD AND AUDIT COMMITTEE MEETINGS:

Names	Board Sitings (5 sittings)	Audit Committee Sitting (5-Sittings)
Reuben Mustapha Ossai	5	Not applicable(N/A)
Joe Ogbonna Anosikeh	5	N/A
Chief Oboh-Oviemuno. G.	5	N/A
Prof.Edward Alikor	5	5

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Mr. Joe Ebinum 5 5

Dr. Dorothy Bassey 4 N/A

Christian Ugochukwu Nwanma N/A 5

Olushola Adegbite N/A 5

Dated this 28th Day of January, 2026

By Order of the Board

OLAIDE ODEJOBI
Company Secretary
FRC/2017/PRO/NBA/002/00000016739

	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO G. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) DR. BASSEY, DOROTHY (I.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oygbo Junction Umuebule 5 (502103) P.O. Box 7242 Port Harcourt	
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COMPLAINTS MANAGEMENT POLICY FRAMEWORK



The Complaints Management Policy of The Initiates Plc has been prepared pursuant to the requirements of the Securities and Exchange Commission's rules relating to the Complaint Management Framework of the Nigerian Capital Market.

The Policy has been prepared in recognition of the importance of effective engagement in promoting shareholder/investor confidence in the Company. This policy sets out the framework by which the Company and its registrar provide assistance regarding shareholder issues and concerns. It also provides opportunity for Shareholders to provide feedback to the Company on matters that affect Shareholders.

This policy relates only to Shareholders of The Initiates Plc and is designed to ensure that Complaints and enquiries are managed in a timely, effective and efficient manner.

GUIDING PRINCIPLES FOR MANAGING COMPLAINTS:

1. **Confidentiality:** All Complaints shall be handled in strict confidence and all personal information of Complainants would be adequately protected.
2. **Mode of making Complaints/enquiries:** A Complaints lodgement form would be made available to all Shareholders to state their complaints/enquiries and access relevant information in the following manner:
 - a. **Contact the Registrar:** Shareholders who wish to make a Complaint/enquiry shall in the first instance contact the Registrar, **Apel Capital Registrars** Limited at 8, Alhaji Bashorun Street, off Norman Williams crescent, South west, Ikoyi, Lagos. The Registrar manages all the registered information relating to all Shareholdings, Shareholders names, addresses and dividend payment instructions amongst others. Upon receipt of a Complaint/enquiry, The Initiates Plc would be notified of such monitoring, record keeping.
 - b. **Contact the Company Secretary:** If the Registrar is unable to satisfactorily address the Shareholders enquiries and resolve their complaints, then Shareholders should contact the office of the Company Secretary
3. **Feedback:** Where a Complaint/enquiry is sent directly to the Company; The Initiates Plc shall upon receipt of the Complaint/enquiry use its best endeavours in ensuring that:

	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO E. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) DR. BASSLEY, DOROTHY (I.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oylabo Junction Umuobale 5 (802103) P.O. Box 7242 Port Harcourt	
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- a. The Complaints/enquiries are recorded
- b. Prompt and timely response is given to the Complaints
- c. The Nigerian Stock Exchange is promptly notified of the Complaints/enquiries
- d. Notify the Shareholder promptly if complaints/enquiries cannot be treated immediately
4. **Form of Complaint/Enquiries register:** The Complaints register shall be in an electronic form compromising the following:
 - a. The date of the Complaint
 - b. The details/Information of the Complainant
 - c. The nature/description of the Complaint
 - d. The steps/action taken to resolve the Complaint
5. This Policy shall be made available on the Company's website (www.initiatesgroup.com) the Registrars and by contacting the office of the Company Secretary of The Initiates Plc
6. The Complaints Management Policy is subject to review from time to time by the Company

SECURITIES TRADING POLICY: In line with rule 17:15 of the Disclosure of Dealings in Issuer's shares, Rulebook of the Exchange, The Initiates Plc has a trading policy which applies to all the employees and Directors who may at a time possess any insider or material information about the Company.

During the year under review, no insider including employees, Directors participated in any insider dealing or assisted any member or any person to participate in such insider dealing in compliance with the trading policy.

Olaide Odejebi
Company Secretary
FRC/2017/PRO/NBA/002/00000016739



ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD)
OBOH- OVIEMUNO G. (N.E.D)
PROF. ALIKOR, E.A.D (N.E.D)
EBINUM, J. (N.E.D)
DR. BASSEY, DOROTHY (I.N.E.D)

Plot 400, Location (New) Road
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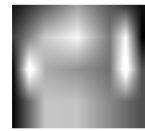


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9001:2015 | 14001:2015





CERTIFICATE OF COMPLIANCE OF THE INITIATES PLC PURSUANT TO SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT,

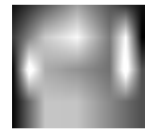
We the undersigned hereby certify the following with regards to our audited financial statement for the year ended 31ST December, 2025:
that;

1. We have reviewed the report and to the best of our knowledge, the report does not contain;
 - (I) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact which would make the statements misleading in the light of the circumstances under which such statements were made;
2. To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and the periods presented in the report.
3. We:
 - 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 this financial statement 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.
4. (i) We have disclosed to the audit committee;
 - (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;
 - (iii) Any fraud whether or not material, that involve management or other employees who have significant role in the company's internal controls;
 - (iv) We have identified in the report whether or not there was significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weakness.


Ossai, Reuben Mustapha
Chief Executive Officer
FRC/2014/PRO/DIR//003/00000009687


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

	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO G. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) DR. BASSEY, DOROTHY (I.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oyigbo Junction Umuebule 5 (502103) P.O. Box 7242 Port Harcourt	
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STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR THE YEAR ENDED 31ST

DECEMBER, 2025

In accordance with the provisions of the Companies and Allied Matters Act, the Directors are required to prepare Financial statements for the year which gives a true and fair view of the state of **financial affairs of the Company. The Directors' responsibility includes ensuring that the Company:**

- a. Keeps proper accounting records which discloses with reasonable accuracy, at any time, the financial position of the Company;
- b. Preparation of the Financial statements in compliance with the provisions of the Companies and Allied Matters Act as well as the International Financial Reporting Standards;
- c. Establishes adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities.

The Directors accept responsibility for the annual Financial Statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment in conformity with the International Financial Reporting Standards issued by the International Accounting Standards Board and the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the Financial statement give a true and fair view of the state of the Financial affairs of the Company ended 31st December, 2025. The Directors further accept responsibility of the maintenance of the Accounting records that may be relied upon in the preparation of the Financial Statement.

Nothing has come to the attention of the Directors indicating that the Company will not remain a going concern in the coming year ahead.

Signed on behalf of the Board of Directors by:

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

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

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AUDIT COMMITTEE REPORT OF THE INITIATES PLC

In compliance with Section 404(7) of the Companies and Allied Matters 2020, and Section 60(2) of the Investment and Securities Act 2007, we have reviewed the Audit report for the year ended 31st December 2025 and hereby state as follows:

1. We examined the scope and planning of the audit for the year ended 31st December 2025, this was in our opinion adequate.
2. We also reviewed the External Auditors' Management letter for the year as well as the Management's response thereon.
3. We ascertained that the accounting and reporting policies of the Company for the year ended 31st December 2025 are in accordance with legal requirements and agreed with ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December 2025 was adequate and Management's response to Auditors' findings thereon were satisfactory.

Dated 27th March, 2026

FRC/2017/PRO/ ICAN/002/00000016424

Members of the Committee:

Mr. Christian Ugochukwu Nwanma - Chairman/Shareholder Representative

Mr. Olushola Adegbite – Shareholder Representative

Prof. Edward Alikor - Non-Executive Director

Mr. Joseph Ebinum - Non-Executive Director

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CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

In compliance with the provisions of section 405 of the Companies and Allied Matters Act, 2020 and, Investment and Securities Act (ISA) 2007 on internal control over financial reporting, the directors, whose names are stated below, hereby certify that:

- a). We have reviewed these Audited financial statements of The Initiates Plc for the year ended 31st December 2025;
- b). Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report,
- c). Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d). We also certify that we:
 - i). are responsible for establishing and maintaining internal controls;
 - ii). have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared;
 - iii). have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iv). have evaluated the effectiveness of the Company internal controls and procedures as of a date within 30 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i). All significant deficiencies and that there are no material weaknesses in the design or

	ANDSIKHE, I. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OGBH- OVIEMUNO G. (N.E.D) PROF. ALKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) BR. BASSEY, DOROTHY (N.E.D)	Plot 400, Location (New) Road Off Abu/PH Express Rd, By Oyiibo Junction Umuebulu 5 (402104) P.O. Box 7242 Port Harcourt	
	Phone +234(0) 84 869510	www.initiatesgroup.com	



THE INITIATES PLC



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- operation of the internal control system which are reasonably likely to adversely affect the Company ability to record, process, summarize and report financial information; and
- ii). There was no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f). We identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of them evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Ossai, Reuben Mustapha
Chief Executive Officer
FRC/2014/PRO/DIR//003/00000009687

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

 INTERNATIONAL SOLID WASTE ASSOCIATION	ANOSIKEH, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBOH- OVIEMUNO G. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, J. (N.E.D) DR. BASSEY, DOROTHY (I.N.E.D)	Plot 400, Location (New) Road Off Aba/PH Express Rd, By Oyigbo Junction Umuebule 5 (502103) P.O. Box 7242 Port Harcourt	 9001:2015 14/01/2015
Phone +234 20 84 669510		www.initiatesgroup.com	EMAIL:wms@initiatesgroup.com



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**MANAGEMENT'S REPORT ON THE EFFECTIVENESS OF INTERNAL
CONTROL OVER FINANCIAL REPORTING**

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of The Initiates Plc for the year ended 31st December 2025.

- i). The Initiates Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2024.
- ii). The Initiates Plc's management has assessed that the Company's ICFR as of the end of 31st December 2025 is effective.
- iii). The Initiates Plc's external auditor Messrs Madu, Onyekwena & Co that audited the financial statements, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

Ossai, Reuben Mustapha
Chief Executive Officer
FRC/2014/PRO/DIR//003/00000009687

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

	ANDSIKEN, J. O. (CHAIRMAN), OSSAI, R.M (CEO/ MD) OBIH- OVIEMUNG G. (N.E.D) PROF. ALIKOR, E.A.D (N.E.D) EBINUM, I. (N.E.D) DR. BASSEY, DOROTHY (I.N.E.D)	Plot 400, Lozation (New) Road Off Abu/PH Express Rd, By Oyiabo Junction Uroubule 5 (502103) P.O. Box 7242 Port Harcourt	
	Phone +234 20 84 869510	www.initiatesgroup.com	

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 as at 31 December 2025, and the results of its operations, cashflows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 International Financial Reporting Standards (IFRSs) are insufficient to enable users to understand the impact of transactions, other events and conditions on the Company's financial position and financial performance.

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.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

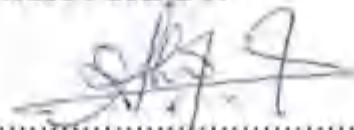
The financial statements of the Company for the year ended 31 December 2025 were approved by the Directors on 30 March, 2026.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Joe Ogbonna Anosikeh
Chairman

FRC/2014/PRO/DIR/003/00000008836



Mr. Reuben Mustapha Ossai
Managing Director

FRC/2014/PRO/DIR/003/00000009687

THE INITIATES PLC

FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS AND OTHER CORPORATE INFORMATION

Directors	Mr Joe Anosikeh Mr Reuben Mustapha Ossai Prof. Edward Alikor Chief (Dr.) Godwin O. Oboh Mr Joseph Ebinum Dr. Dorothy Bassey	Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Non-Executive Director
Management Staff:	Mr Reuben Mustapha Ossai Mr Emeka Charles Okafor Dr. Rosemary Taneh Mr Sunday Oyeniran Mrs Olaide Odejebi	Managing Director General Manager, Waste Management Services Chief Finance Officer Chief Internal Auditor Company Secretary
External Auditors	Madu, Onyekwena & Co (Chartered Accountants) Suite A2, 2nd Floor, Lemu Shopping Plaza, (Next Time Supermarket Building), Abacha Road, Port Harcourt, Rivers State.	
Registrars	Apel Capital Registrars Limited 8 Alhaji Bashorun Street, Off Norman Williams Crescent, South-West, Ikoyi, Lagos.	
Principal Bankers	Guaranty Trust Bank Plc Providus Bank Plc FSDH Merchant Bank Limited Stanbic IBTC Bank Plc Wema Bank Plc	
Audit Committee	Mr Christian Ugochukwu Nwanma Prof. Edward Alikor Mr Joseph Ebinum Mr Adegbite Olushola	Shareholders' Representative Director Director Shareholders' Representative
Registered Office	Plot 400, Shell Location Road, Off Aba/PH Expressway, By Oyigbo Junction, Umuebule 5, Rivers State.	



ASSURANCE REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of The Initiates Plc

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **The Initiates Plc** as at 31 December 2025, in accordance with the FRC Guidance on assurance engagement report on Internal Control Over Financial Reporting and based on criteria established in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. The Initiates Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and our report dated 30 March, 2026 expressed unmodified opinion.


Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting, as at the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7 (2f) of the Financial Reporting Council of Nigeria (Amendment) Act 2023 further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditors' Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE) 3000 revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.



That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Chinedu N. Onyekwena, FCA
FRC/2013/ICAN/00000004886
For: Madu, Onyekwena & Co.
Chartered Accountants
Port Harcourt, Nigeria
30 March, 2026





INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Initiates Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **The Initiates Plc** as at 31 December 2025 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year and summary of significant accounting policies and other explanatory information as set out on pages 9 to 60.

In our opinion, the financial statements give a true and fair view of the financial position of **The Initiates Plc** as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter below relate to the audit of the financial statements.

Recoverability of Trade Receivables

As at 31 December 2025, trade receivables amounted to N5.35 billion representing 46% of total assets. Management applies judgement in determining the allowance for expected credit losses, using the guidelines provided in International Financial Reporting Standards (IFRSs). Due to the materiality of the balance and the inherent risk in the use of judgement, this was considered a key audit matter.

How the matter was addressed in the audit

Our audit procedures include:

1. Obtained an understanding of the Company's credit control process, and tested the design and implementation and operating effectiveness of the controls.
2. We reviewed the aging analysis of receivables.



3. Evaluated management's assumptions regarding doubtful debts.
4. Tested a sample of customer balances through external confirmations.
5. We checked subsequent payments received from customers after year end.

The results of our audit procedures indicated the allowance for expected credit losses to be reasonable.

The Directors are responsible for the other information. The other information comprises the information included in the document titled "The Initiates Plc Annual Reports and Accounts for the year ended 31 December 2025", which included the Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, the Audit Committee's Report, Certification of Management's Assessment of Internal Control Over Financial Reporting, Management's Report on the Assessment of Internal Control Over Financial Reporting which we obtained prior to the date of this Auditor's report. The other information does not include the financial statements and our Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act 2023, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company and/or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from any material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 
-
- c) Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
 - d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
 - e) Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

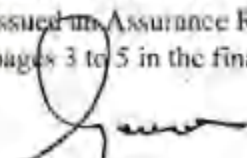
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the fifth schedule of the Companies and Allied Matters Act 2020, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

In accordance with the requirements of the Financial Reporting Council of Nigeria (Amendment) Act 2023, we performed a limited assurance engagement and reported on management's assessment of the company's internal control over financial reporting as at 31 December 2025. The work performed was in accordance with FRC **Guidance on Assurance Engagement Report on Internal Control over Financial Reporting**, and we have issued an Assurance Report with no exception in our report dated 30 March, 2026. That report is included on pages 3 to 5 in the financial statements.



Chinedu N. Onyekwena, FCA
FRC/2013/ICAN/0000004886
For: Madu, Onyekwena & Co,
Chartered Accountants
Port Harcourt, Nigeria
30 March, 2026



THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

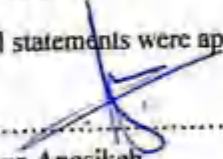
Continuing Operations	Note	2025 N	2024 N
Revenue	6	11,698,628,274	4,663,473,951
Cost of sales	7	<u>(5,536,333,942)</u>	<u>(2,153,641,960)</u>
Gross profit		6,162,294,332	2,509,831,991
Other income	8	73,843,240	189,910,803
Administrative expenses	9	<u>(1,325,671,134)</u>	<u>(567,096,112)</u>
Result from operating activities	11	4,910,466,438	2,132,646,682
Finance cost	12	(44,935,386)	(80,205,167)
Share of profit of associate	13	<u>205,998,407</u>	<u>-</u>
Profit before tax		5,071,529,459	2,052,441,515
Income tax expense	14.1	<u>(1,683,474,442)</u>	<u>(672,757,469)</u>
Profit for the year		<u>3,388,055,017</u>	<u>1,379,684,046</u>
Other Comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gain/loss	15	-	-
Revaluation surplus on property, plant and equipment	16.3	-	-
Exchange difference on translation of investment in foreign associate	13.1	<u>(19,443,649)</u>	<u>-</u>
Total items that will not be reclassified to profit or loss		<u>(19,443,649)</u>	<u>-</u>
Items that may be reclassified to profit or loss:		<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>(19,443,649)</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,368,611,368</u></u>	<u><u>1,379,684,046</u></u>
Earnings per share			
Basic and diluted earnings per share (kobo)	21	<u><u>381</u></u>	<u><u>155</u></u>


The notes on pages 14 to 60 form part of these financial statements.

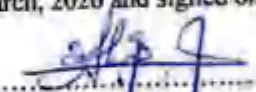
THE INITIATES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 N	2024 N
Assets			
Non-current assets			
Property, plant and equipment	16	2,698,515,490	1,930,266,501
Asset-in-transit	17	1,040,257,792	150,050,804
Intangible asset	18	10,965,000	-
Other non-current assets	19	-	4,596,867
Investment in Associate	20	239,467,162	105,619,312
Current assets			
Inventories	22	35,346,086	29,152,525
Trade and other receivables	23	4,992,394,794	2,826,925,282
Cash and cash equivalents	24	2,541,946,005	47,580,386
Current tax assets	25	-	-
Other current assets	26	168,452,509	26,070,001
Total current assets		7,738,139,394	2,929,728,194
Total Assets		11,727,344,838	5,120,261,678
Equity and Liabilities			
Equity			
Share capital	27	444,990,776	444,990,776
Share premium	28	17,780,000	17,780,000
Revaluation reserve	29	303,473,535	303,473,535
Retained earnings	30	5,006,808,465	1,707,751,603
Foreign currency translation reserve	13.1	(19,443,649)	-
Total equity		5,753,609,127	2,473,995,914
Non-current liabilities			
Deferred tax liabilities	14.4	479,237,574	267,041,580
Borrowings	34.1	98,000,000	350,000,000
		577,237,574	617,041,580
Current liabilities			
Trade and other payables	31	3,187,255,524	1,104,400,731
Current tax liabilities	14.2	1,606,605,965	386,375,722
Other current tax liabilities	32	597,668,143	353,915,595
Employees' benefits	33	4,968,505	5,726,408
Borrowings	34.2	-	178,805,728
Total current liabilities		5,396,498,137	2,029,224,184
Total liabilities		5,973,735,711	2,646,265,764
Total equity and liabilities		11,727,344,838	5,120,261,678

These financial statements were approved by the Board of Directors on 30 March, 2026 and signed on its behalf by:


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


 Dr. Rosemary Taneh
 Chief Finance Officer


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

THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
	N	N	N	N	N	N
At 1 January	444,990,776	17,780,000	303,473,535	1,707,751,603	-	2,473,995,914
Dividends	-	-	-	(88,998,155)	-	(88,998,155)
Profit for the year	-	-	-	3,388,055,017	-	3,388,055,017
	444,990,776	17,780,000	303,473,535	5,006,808,465	-	5,773,052,776
Other Comprehensive income						
Exchange difference on translation of investment in foreign associate	-	-	-	-	(19,443,649)	(19,443,649)
At 31 December	444,990,776	17,780,000	303,473,535	5,006,808,465	(19,443,649)	5,753,609,127

YEAR ENDED 31 DECEMBER 2024

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	N	N	N	N	N
At 1 January	444,990,776	17,780,000	303,473,535	411,981,089	1,178,225,400
Adjustments	-	-	-	(30,514,639)	(30,514,639)
Dividends	-	-	-	(53,398,893)	(53,398,893)
Profit for the year	-	-	-	1,379,684,046	1,379,684,046
At 31 December	444,990,776	17,780,000	303,473,535	1,707,751,603	2,473,995,914

THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 N	2024 N
Cash flows from operating activities			
Profit after tax		3,388,055,017	1,379,684,046
Adjustment to reconcile profit to net cash provided by operating activities;			
Depreciation	16	146,379,080	67,434,859
Interest received		(38,744,027)	(430)
Finance cost	12	44,935,386	80,205,167
Dividends received on foreign investment		-	(138,504,917)
Share of profit of foreign associate	13	(205,998,407)	-
Changes in working capital:			
Decrease in other non-current assets		4,596,867	13,310,600
Increase in inventories		(6,193,561)	(15,575,605)
Increase in trade and other receivables		(2,165,469,512)	(2,336,731,172)
Decrease in current tax assets		-	41,017,676
Increase in other current assets		(142,382,508)	(2,313,862)
Increase in non-current liabilities		212,195,994	144,914,701
Increase in trade and other payables		2,082,931,989	805,838,035
(Decrease)/increase in employees benefits		(757,903)	2,731,381
Increase in current tax liabilities		1,275,672,842	387,580,946
Increase in other current tax liabilities		243,752,548	235,068,661
Cash used by operations		4,838,973,805	664,660,086
Tax paid		(55,442,599)	(17,890,570)
Net cash used in operating activities		4,783,531,206	646,769,516
Cash flows from investing activities			
Acquisition of property, plant and equipment	16	(758,898,101)	(359,823,431)
Asset-in-transit	17	(1,051,207,789)	(150,050,804)
Payment for intangible asset	18	(10,965,000)	-
Gain on disposal of property, plant and equipment	8	5,129,167	-
Investment		-	(360,098)
Dividends received on foreign investment	8	52,706,908	138,504,917
Interest on unclaimed dividends		64,470	493,099
Interest received	8	38,744,027	430
Net cash used in investing activities		(1,724,426,318)	(371,235,887)

THE INITIATES PLC

STATEMENT OF CASH FLOWS (CONTD) FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 N	2024 N
Cash flows from financing activities			
Borrowings		496,534,787	656,864,418
Repayment of borrowings		(927,340,515)	(947,876,590)
Dividends paid to Shareholders		(88,998,155)	(53,398,893)
Unclaimed dividends paid to Shareholders		-	(3,000,466)
Finance cost	12	<u>(44,935,386)</u>	<u>(80,205,167)</u>
Net cash used by financing activities		<u>(564,739,269)</u>	<u>(427,616,698)</u>
Net decrease in cash and cash equivalents		2,494,365,619	(152,083,069)
Cash and cash equivalents at 1 January		<u>47,580,386</u>	<u>199,663,455</u>
Cash and cash equivalents as at 31 December	24	<u><u>2,541,946,005</u></u>	<u><u>47,580,386</u></u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

1.1 Reporting entity

The company was incorporated under the Companies and Allied Matters Act 1990 as a Limited Liability Company on 3 March 1995 and commenced business in February 1997. On 23 March 2015, the company was re-registered and converted to public limited company and accordingly changed its name from The Initiates Limited to The Initiates Plc.

The registered address of the Company is located at Plot 400, Shell Location Road, Off Aba/PH Expressway, By Oyigbo Junction, Umuebule 5, Rivers State.

1.2 Principal activities

The company's principal activities include waste management services, E-waste management services and industrial cleaning and decontamination services.

1.3 Financial period

These financial statements cover the financial period from 1 January 2025 to 31 December 2025, with comparative for year ended 31 December 2024.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act 2020 and the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023.

The components of the financial statements are:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

The financial statements are authorised for issue by the Company's Board of Directors on 30 March, 2026.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Inventories at the lower of cost and net realisable value
- The financial instruments (borrowings) measured at amortized cost

2.3 Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and amended standards and interpretations that are effective for the current year.

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a re-measurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

3.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective.

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

- a Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates effective January 1, 2025.
- b Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026.
- c Annual Improvements to IFRS Accounting Standards – Amendments to:
- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS7;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows. effective January 1, 2026.
- d IFRS 18 Presentation and Disclosure in Financial Statements. effective January 1, 2027.
- e IFRS 19 Subsidiaries without Public Accountability: Disclosures. effective January 1, 2027.

Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates effective January 1, 2025

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- The nature and financial impacts of the currency not being exchangeable.
- The spot exchange rate used;
- The estimation process; and
- Risks to the company because the currency is not exchangeable.

Amendments to the Classification and Measurement of Financial Instruments -Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

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NOTES TO THE FINANCIAL STATEMENTS

Other annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

Other amendments include derecognising lease liabilities.

If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases.

The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

IFRS 18 Presentation and Disclosure in Financial Statements effective January 1, 2027

IFRS 18 replaces 'IAS 1' Presentation of Financial Statements. and IFRS 18 defines management performance measures (MPMs); these measures are currently commonly known as non-GAAP measures, alternative performance measures (APMs) or key performance indicators (KPIs).

IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. You'll see three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

IFRS 19 Subsidiaries without Public Accountability: Disclosures effective January 1, 2027

The IASB intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued.

Because of the timing of IFRS 19's publication, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May 2024 were included in IFRS 19 without reductions. The IASB issued a 'catch-up' exposure draft in July 2024 to consult on reducing the disclosure requirements for the relevant standards issued in this period, most notably IFRS 18 Presentation and Disclosure in Financial Statements.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

4. Summary of significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

	Page number
4.1 Foreign currency	19
4.2 Financial instruments	19
4.3 Property, plant and equipment	25
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4.6 Impairment of non-financial assets	27
4.7 Employee benefits	28
4.8 Provisions	29
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4.10 Statement of Cash flows	29
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4.12 Income taxes	31
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4.1 Foreign currency translation

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising from translation are recognized in profit or loss.

4.2 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair Value Through Profit or Loss (FVPL). Transaction costs are added to, or subtracted from this amount.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS15. Refer to the accounting policies on Revenue from contracts with customers.

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NOTES TO THE FINANCIAL STATEMENTS

I Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulations or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cashflows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income is recognised in profit or loss and is included in the "finance income – interest.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the statement of profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on debt instruments that are measured at amortised cost (trade receivables and short-term deposits). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

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NOTES TO THE FINANCIAL STATEMENTS

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- 2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 60 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

(iv) Write off policy

The Company writes off a financial asset when there is sufficient information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when all economic attempts to recover the outstanding amount have failed or when the period within which the debt can be legally enforced has expired or unable to locate debtor or debtor passed away leaving no asset, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

II Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost.

Financial liabilities that are not:

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held-for-trading, or
- (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the (Expected Interest Rate) EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

- (1) the carrying amount of the liability before the modification; and
- (2) the present value of the cashflows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities.

III) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

4.3. Property, plant and equipment

i Recognition and measurement

Land is stated in the statement of financial position at the revalued amount.

Buildings, plant and machinery, and all other property, plant and equipment are stated in the statement of financial position at their revalued amount less accumulated depreciation and any impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment acquired after the revaluation, are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assets are reviewed annually to ensure that impairment has not occurred. They are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. Impairment losses are measured as the difference between the carrying amount and the recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use, as determined by the amount of estimated risk adjusted future cash flows. Impairment losses are recognised in income statement in the period in which they are incurred.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the company has applied this method to all qualifying assets. Borrowing costs are capitalised when the cost of the acquisition of the assets and borrowing cost are incurred and the activities necessary to bring the assets to a condition for its use have been started.

Capitalisation of borrowing cost is suspended during periods in which active development is interrupted.

ii Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance of property, plant and equipment are charged to statement of profit or loss during the financial year in which they are incurred.

iii Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The estimated useful lives for the current and comparative periods are as follows:

	%
Land	Nil
Building	2.00
Plant and Machinery	5.00
Motor Vehicles	25.00
Office and HSE Equipment	20.00
Furniture and Fittings	33.33

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

Land has unlimited useful life, so it is not depreciated.

iv Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.4 Intangible assets

Intangible Assets are measured at cost on initial recognition. They are carried at cost less any accumulated amortization and accumulated impairment losses if any.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period.

The Company's intangible asset relates to ERP system. The useful life of the software is assessed to be four years (25%).

4.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production costs and other costs incurred in bringing them to their existing location and condition. Cost incurred in bringing each product to its present location and condition is based on weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Allowance is made for obsolete, slow moving or defective items where appropriate.

4.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU). For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets (excluding Goodwill for which impairment loss is not reversed), impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.7 Employee benefits

a Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The company makes provisions for employee benefits in accordance with the Pension Reform Act 2014. 8% of the employee's basic salary, housing and transport contributed monthly by the employee and 10% contributed by the employer. The monthly contribution is remitted to the Pension Fund Administrators.

b Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c Short-term employee benefits

Short-term employee benefit obligations are measured on an un-discounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the Statement of Financial Position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

4.10 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in Statement of Financial Position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost is also included in financing activities while finance income received is included in investing activities.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.11 Revenue from contracts with customers IFRS 15

A Revenue

Revenue is recognised by applying a five-step approach:

- Identify the contract
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when (or as) each performance obligation is satisfied

i Identify the contract

Any agreement that creates enforceable rights and obligations is a contract.

A contract modification is accounted for as a separate contract or continuation of the original contract prospectively or with cumulative catch-up, depending on facts and circumstances.

ii Identify the separate performance obligations in the contract

Performance obligations are the explicit or implicit promises made to the customer in a contract. In a multi-element arrangement, it is necessary to determine if the promises made are distinct from each other or should be accounted for together as a bundle.

iii Determine the transaction price

Transaction price is the amount of the consideration a company is entitled to receive in exchange for transferring goods or services to customers.

The transaction price is determined when the contract price is fixed.

Variable consideration is estimated and recognised as revenue when it is highly probable that a significant reversal of the cumulative revenue recognised will not occur in future periods.

iv Allocate the transaction price to performance obligations

The total consideration in a contract is between each of the distinct performance obligations in that contract on the basis of the standalone selling price.

v Recognise revenue when (or as) each performance obligation is satisfied

Revenue is recognised in the Income Statement when or as the company fulfils its performance obligations, that is when the promised goods or services are transferred to the customer and the customer obtains control. This may be over time or a point in time. In the case of services, the obligation is satisfied over the period of provision of the services.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B Contract balances

i Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

ii Contract Asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

iii Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4.12 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been statutorily enacted by the reporting date.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities, respectively. In the case of transactions recognised directly in equity, the related deferred tax asset and liability also affects equity.

4.13 Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

4.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.15 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company components. All operating segments are reviewed over time by management for resource allocation and performance assessment.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Revenue and cost represent operating revenues and expenses respectively that are directly attributable to each business segment. The Company's business segments are presented by line of business.

4.16 Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS

CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

5. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Company revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

5.1 Critical accounting judgements

In the process of applying the Company's accounting policies, management has made some judgements, which have the most significant effect on the amounts recognised in the financial statements:

5.2 Key sources of estimation uncertainty

a. Estimated useful lives and residual values of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property, plant and equipment as at year end and that has not highlighted any requirement for an adjustment to the residual values and remaining useful lives of the assets for the current or future periods.

b. Provision for expected credit losses (ECL) of trade receivables

The Company uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments.

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
6. Revenue from rendering of services		
Port Harcourt Base	2,963,939,407	3,100,833,755
Kwale Base	8,734,688,867	1,562,640,196
	<u>11,698,628,274</u>	<u>4,663,473,951</u>

Segment information

The Company has two (2) reportable segments based on the business operations in two locations.

Segment revenue and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment:

	2025						2024					
	PORT HARCOURT BASE			KWALE BASE			PORT HARCOURT BASE			KWALE BASE		
	Industrial Cleaning Services	Waste Management Services	Total	Industrial Cleaning Services	Waste Management Services	Total	Industrial Cleaning Services	Waste Management Services	Total	Industrial Cleaning Services	Waste Management Services	Total
	N	N	N	N	N	N	N	N	N	N	N	N
Revenue	1,478,729,663	1,485,209,744	2,963,939,407	-	8,734,688,867	8,734,688,867	1,022,683,856	2,078,149,899	3,100,833,755	-	1,562,640,196	1,562,640,196
Cost of sales	(426,490,322)	(912,397,480)	(1,338,887,802)	-	(4,197,446,140)	(4,197,446,140)	(459,500,177)	(1,001,713,245)	(1,461,213,422)	-	(692,428,537)	(692,428,537)
Gross Profit	<u>1,052,239,341</u>	<u>572,812,264</u>	<u>1,625,051,605</u>	-	<u>4,537,242,727</u>	<u>4,537,242,727</u>	<u>563,183,679</u>	<u>1,076,436,654</u>	<u>1,639,620,333</u>	-	<u>870,211,659</u>	<u>870,211,659</u>

	2025	2024
	N	N
7. Cost of sales		
Waste Collection and Haulage	1,137,596,888	545,443,490
Waste Treatment and Disposal	1,982,840,019	171,066,208
Hiring of equipment	218,878,240	448,815,393
Diesel and lubricants	117,519,313	48,665,364
Repairs and Maintenance	376,603,799	95,717,102
Employee costs (note 10)	114,839,625	71,166,737
Transport and travelling	18,790,592	12,015,290
Consumables	1,334,977,379	619,180,869
Depreciation (note 15)	93,176,258	56,562,167
Direct wages	16,304,000	49,944,389
Community relations and security	93,600,782	14,959,500
Compliance	29,207,047	18,664,451
Other direct costs	2,000,000	1,441,000
	<u>5,536,333,942</u>	<u>2,153,641,960</u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
8. Other income		
Interest received	38,744,027	430
Dividends received (note 8.1)	-	138,504,917
Realized foreign exchange gains (note 8.2)	-	50,471,279
Gain on disposal of property, plant and equipment (note 8.3)	5,129,167	-
Debt recovery	29,417,468	-
Sundry income	552,578	934,177
	<u>73,843,240</u>	<u>189,910,803</u>

8.1 Dividends received

This represents dividend received from The Initiates Uganda Limited on investment made by The Initiates Plc.

8.2 Realized foreign exchange gains

These represent exchange gains arising from translation of foreign currency transactions during the year.

8.3 Gain on disposal of property, plant and equipment

This represents gain on disposal of Company's motor vehicle during the year.

	2025	2024
	N	N
8.4 Net Foreign exchange gains/losses		
Net exchange gains/losses arising from translation of foreign currency transactions during the year.	99,078,753	-
Net exchange gains/losses arising from translation of foreign currency transactions using Central Bank of Nigeria (CBN) Closing rates as at year end.	127,533,347	39,492,374
	<u>226,612,100</u>	<u>39,492,374</u>

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
9. Administrative expenses		
Director's emolument	54,007,000	27,360,000
Directors' allowances and expenses	88,182,277	12,141,931
Directors' fees	5,200,000	5,200,000
Transport and travelling expenses	24,331,409	12,269,975
Legal and professional fees	30,303,507	12,294,141
Employee costs (note 10)	226,807,931	115,439,125
Electricity	9,232,819	2,806,693
Fuel and diesel	39,294,638	42,372,670
Licenses and levies	402,500	464,700
Donation & Gift	3,320,000	1,890,000
Depreciation and impairment loss (note 15.5.1)	53,202,822	10,872,692
Repairs and maintenance	10,082,964	11,116,100
Printing and stationery	5,187,208	1,666,489
Insurance	13,441,609	10,505,604
Corporate social responsibility	62,796,000	-
Telephone and postage	2,065,372	1,575,095
Entertainment	2,197,500	471,300
Advert and publicity	916,000	-
Internet expenses	6,734,580	7,377,432
QHSE Compliance	24,667,908	7,102,112
Industrial Training Fund	4,301,719	4,225,460
Bank charges	19,529,455	9,558,429
Conference and exhibition	6,560,500	-
Training expenses	6,292,300	984,373
Local content tax	88,525,099	20,199,227
Subscription	2,996,534	9,369,136
Meal expenses	15,680,650	9,409,700
Balances written off	-	1,562
Auditors' remuneration	5,500,000	4,000,000
Provision for doubtful debts	264,323,922	169,049,145
Security expenses	12,552,507	9,213,856
Net foreign exchange losses (note 8.4)	226,612,100	39,492,374
Office and general expenses	10,422,304	8,666,791
	1,325,671,134	567,096,112
10. Employee information		
Employee costs		
Salaries and allowances	219,097,336	135,043,970
Employer's pension contribution	14,383,700	4,004,562
Staff welfare	61,025,000	29,820,000
Terminal benefits	24,626,276	4,722,135
Medical expenses	22,515,244	13,015,195
	341,647,556	186,605,862

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
Total employee costs recognised in profit or loss		
Cost of sales	114,839,625	71,166,737
Administrative expenses	226,807,931	115,439,125
	341,647,556	186,605,862

Average number of persons employed during the year	Number	Number
Management	15	10
Senior Staff	18	12
Junior Staff	27	33
	60	55

The table shows the number of employees (excluding Directors), whose earnings during the year, fell within the ranges shown below:

	Number	Number
N1,000,001 - N3,000,000	26	44
N3,000,001 - N5,000,000	17	8
N5,000,001 and above	17	3
	60	55

	2025	2024
	N	N
11. Result from operating activities is stated after taking into account the undernoted items;		
Directors' emoluments:		
- Fees	5,200,000	5,200,000
- Others	142,189,277	39,501,931
Depreciation	146,379,080	67,434,859
Auditors' remuneration	5,500,000	4,000,000
	44,935,386	80,205,167
12. Finance cost		

This represents interests charged on loan facility of N700.0 million obtained from Bank of Industry, charges by Providus Bank Plc on invoice discounting facilities of \$120,000 and \$200,000, and also current portion of charges by Providus Bank on the Bank Guarantee for loan facility from Bank of Industry.

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

	2025 N	2024 N
Interest on loans	34,225,898	66,615,911
Other financial charges	10,709,488	13,589,256
	<u>44,935,386</u>	<u>80,205,167</u>

13. Share of Profit of Foreign Associate 205,998,407 -

This represents the Company's 36% share of the profit after tax of the foreign associate (The Initiates Uganda Limited) for the period 1 January - 30 September 2025, including the audited financial statements for 1 January - 30 June 2025 and management accounts for 1 July - 30 September 2025.

13.1 Exchange difference on translation of investment in foreign associate

This represents translation gain/loss arising from converting the Company's net investment in a foreign associate from the associate's functional currency to the Company's presentation currency.

14. Taxation

14.1 Income tax expense

Company income tax	1,286,719,325	459,654,297
Education tax	154,129,029	60,682,662
Police Trust Fund	243,277	102,622
NASENI	12,163,828	5,131,104
	<u>1,453,255,459</u>	<u>525,570,685</u>
Prior year tax under-provision (note 14.1.1)	18,022,989	2,272,083
Current tax expense	1,471,278,448	527,842,768
Deferred tax (note 14.4)	212,195,994	144,914,701
Income tax expense as per profit or loss	<u>1,683,474,442</u>	<u>672,757,469</u>

14.1.1 Prior year tax under-provision

N18.02 million represents additional tax liabilities arising from the tax audit exercise carried out in 2025 by the Federal Inland Revenue Service (now the Nigeria Revenue Service) on the 2023 accounts (N2.3 million in the prior year represents tax liabilities arising from the desk review carried out in 2024 by the Federal Inland Revenue Service (now the Nigeria Revenue Service) on the 2023 accounts).

14.2 Current tax liabilities

Movement in Income tax liabilities

Opening Balance	386,375,722	16,685,346
Prior year under-provision (note 14.1.1)	18,022,989	2,272,083
Payments during the year	(55,442,599)	(17,890,570)
Tax charge for the year	1,453,255,459	525,570,685
Withholding tax credit notes applied	(195,605,606)	(140,261,822)
Closing Balance	<u>1,606,605,965</u>	<u>386,375,722</u>

14.3 Reconciliation of effective tax rate

		%		%
Profit for the year before tax	5,071,529,459		2,052,441,515	
Share of profit of foreign associate	(205,998,407)		-	
Dividends received from foreign investment	-		(138,504,917)	
	<u>4,865,531,052</u>		<u>1,913,936,598</u>	
Company Income Tax	1,459,659,316	30.00	574,180,979	30.00
Education Tax	145,965,932	3.00	57,418,098	3.00
Police Trust Fund	243,277	0.01	102,622	0.01
NASENI	12,163,828	0.25	5,131,104	0.27
Tax effect on expenses not deductible for tax purposes	91,486,701	1.88	35,910,202	1.88
Tax effect on capital allowances	(256,263,594)	(5.27)	(147,172,320)	(7.69)
Tax under-provision in prior year	18,022,989	0.37	2,272,083	0.12
Deferred tax effect	212,195,994	4.36	144,914,701	7.57
Income tax expense	<u>1,683,474,442</u>	<u>34.60</u>	<u>672,757,469</u>	<u>35.15</u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

14.4 Deferred tax

	Accelerated tax depreciation	Revaluation surplus	Total
	N	N	N
At 1 January 2024	100,000,579	22,126,300	122,126,879
Movement in the year	144,914,701	-	144,914,701
At 31 December 2024	244,915,280	22,126,300	267,041,580
Movement during the year	212,195,994	-	212,195,994
At 31 December 2025	457,111,274	22,126,300	479,237,574

15. Defined benefit plan

The Company does not have gratuity as at 31 December 2025.

16. Property, Plant and Equipment

16.1 Summary

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

	2025 N	2024 N
Land	71,733,787	71,733,787
Buildings	378,616,568	349,314,123
Capital work-in-progress	-	302,879,950
Plant and Machinery	1,791,973,506	1,184,245,252
Motor vehicles	416,050,000	9,412,479
Furniture and Fittings	14,254,357	1,546,777
Office & HSE Equipment	25,887,272	11,134,133
	2,698,515,490	1,930,266,501

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

16.2 Analysis of Property, Plant and Equipment

	Land	Buildings	Capital Work-in-Progress (note 16.4)	Plant and Machinery	Motor Vehicles	Furniture and Fittings	Office & HSE Equipment	Total
	N	N	N	N	N	N	N	N
Deemed Cost								
At 1 January 2024	71,166,592	174,936,120	705,120,915	762,781,402	18,128,500	5,800,299	15,651,500	1,753,585,328
Adjustment	-	-	-	(18,929,063)	-	-	-	(18,929,063)
Additions in the year	567,195	137,727,657	-	209,794,009	-	1,590,000	10,144,570	359,823,431
Transfer	-	59,462,053	(402,240,965)	463,368,214	-	-	-	120,589,302
Disposals	-	-	-	-	-	-	-	-
At 31 December 2024	71,733,787	372,125,830	302,879,950	1,417,014,562	18,128,500	7,390,299	25,796,070	2,215,068,998
Additions during the year	-	36,996,940	-	237,923,761	447,650,000	16,557,000	19,770,400	758,898,101
Transfer	-	-	(302,879,950)	462,980,751	-	-	900,000	161,000,801
Disposals	-	-	-	-	(11,000,000)	-	-	(11,000,000)
At 31 December 2025	71,733,787	409,122,770	-	2,117,919,074	454,778,500	23,947,299	46,466,470	3,123,967,900
Accumulated Depreciation and impairment loss								
At 1 January 2024	-	17,998,387	-	181,291,331	4,183,896	5,798,364	13,179,848	222,451,826
Adjustment	-	-	-	(5,084,188)	-	-	-	(5,084,188)
Charge for the year	-	4,813,320	-	56,562,167	4,532,125	45,158	1,482,089	67,434,859
Disposals	-	-	-	-	-	-	-	-
At 31 December 2024	-	22,811,707	-	232,769,310	8,716,021	5,843,522	14,661,937	284,802,497
Charge for the year	-	7,694,495	-	93,176,258	35,741,646	3,849,420	4,642,261	145,104,080
Impairment loss	-	-	-	-	-	-	1,275,000	1,275,000
Disposals	-	-	-	-	(5,729,167)	-	-	(5,729,167)
At 31 December 2025	-	30,506,202	-	325,945,568	38,728,500	9,692,942	20,579,198	425,452,410
Carrying amount								
At 31 December 2025	71,733,787	378,616,568	-	1,791,973,506	416,050,000	14,254,357	25,887,272	2,698,515,490
At 31 December 2024	71,733,787	349,314,123	302,879,950	1,184,245,252	9,412,479	1,546,777	11,134,133	1,930,266,501

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

16.3 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/2012/00000000254) 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.

16.4 Capital work-in-progress

This represents cost of property, plant and equipment acquired, which was not put to use in the prior year.

	2025 N	2024 N
Gerotto Robotic Tank Cleaning Equipment	-	302,879,950

16.5 Depreciation and impairment loss

Cost of sales

Depreciation	92,993,887	56,562,167
Impairment loss	-	-
	92,993,887	56,562,167

Administrative expenses

Depreciation	51,927,822	10,872,692
Impairment loss (note 16.5.1)	1,275,000	-
	53,202,822	10,872,692

16.5.1 Impairment loss

Some of the laptops purchased in the current year were not in good condition and as a result of this, the carrying amount before the impairment was recognised as an impairment loss.

16.6 Security

All the Company's property, plant and equipment were pledged as security as at 31 December 2025.

17. Asset-in-transit

At 1 January	150,050,804	385,647,186
Addition in the year	1,051,207,789	150,050,804
Transfer	(161,000,801)	(385,647,186)
At 31 December	1,040,257,792	150,050,804

In the current year, the assets-in-transit include the following which were not received by The Initiates Plc as at 31 December 2025.

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

	2025 N	2024 N
Hyster Refurbished Forklift	-	150,050,804
Additional cost on Forklift	10,049,997	-
Gas Tester	900,000	-
20ft Container	51,575,117	-
2 Units of Thermal Desorption Unit (TDU)	415,289,987	-
Excavator	94,384,571	-
Bobcat	94,351,591	-
Solid Waste Control Equipment	363,406,862	-
Crane	21,249,664	-
	<u>1,051,207,789</u>	<u>150,050,804</u>
18. Intangible asset	<u>10,965,000</u>	<u>-</u>
This represents cost of design, develop and deployment of a software.		
19. Other non-current assets		
Prepaid fees on Loan (note 19.1)	-	726,867
Deferred costs (note 19.2)	-	3,870,000
	<u>-</u>	<u>4,596,867</u>

19.1 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.

19.2 Deferred costs

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

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

	2025 N	2024 N
20. Investment in associate	239,467,162	105,619,312

This represents investment in The Initiates Uganda Limited. The Initiates Plc owns minority interest of 36%, while majority holding is by Dag & Bragan Oil & Gas Services Limited - 60%, balance holding of 4% by Reuben Ossai.

The Initiates Uganda Limited was incorporated in November 2018 with the above mentioned Shareholders, and the company commenced operation in 2022.

	2025 N	2024 N
At 1 January	105,619,312	105,259,214
Additions in the year	-	360,098
Share of profit	205,998,407	-
Exchange difference on translation of foreign associate	(19,443,649)	-
Dividend received in the year	(52,706,908)	-
	239,467,162	105,619,312

The Initiates Plc holds a 36% equity interest in The Initiates Uganda Limited, which is classified as an associate. The associate's reporting period is 1 July 2024 - 30 June 2025 while the Company's reporting period is 1 January - 31 December 2025. The investment is accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

Under the equity method, the investment is initially recognized at cost and subsequently adjusted for the Company's share of the associate's profit or loss and dividends received. The share of profit of the associate is recognized in profit or loss while the exchange differences arising from the translation of the Company's net investment in a foreign associate from the associate's functional currency to the Company's presentation currency, are recognized in other comprehensive income, and accumulated in the foreign currency translation reserve.

For the year ended 31 December 2025, the Company recognized its share of profit based on the most recent audited financial statements of the associate (1 January - 30 June 2025) and management accounts for the period 1 July - 30 September 2025.

21. Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to the ordinary equity holders by weighted average number of ordinary shares outstanding during the year.

	2025 N	2024 N
Earnings attributable to ordinary shareholders (in naira)	3,388,055,017	1,379,684,046
Number of ordinary shares issued and fully paid for basic earnings per share (in number)	889,981,552	889,981,552
Number of ordinary shares issued and fully paid for diluted earnings per share (in number)	889,981,552	889,981,552
Basic and diluted earnings per share (kobo)	381	155

22. Inventories

Diesel	11,085,300	13,812,750
QHSE Consumables	2,214,138	2,154,000
Stationeries	702,091	222,317
Technical/Electrical items	20,526,989	12,782,559
Other consumables	817,568	180,899
	35,346,086	29,152,525

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

The value of inventories recognised as an expense and included in cost of sales during the year was N194.5 million (2024: N113.0 million).

No inventory was pledged as security during the year.

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

	2025 N	2024 N
23. Trade and other receivables		
Trade receivables (note 23.1)	4,930,405,681	2,825,798,850
Staff loans and advances (23.2)	61,989,113	474,237
Other receivables	-	652,195
	4,992,394,794	2,826,925,282
23.1 Trade receivables		
Receivables from customers	5,348,326,125	3,008,812,840
Allowance for expected credit losses (note 23.1.1)	(417,920,444)	(183,013,990)
	4,930,405,681	2,825,798,850
Ageing of trade receivables		
Current	4,340,713,862	1,973,924,423
1 - 30 days past due	360,145,836	1,926,782
31 - 60 days past due	255,820,497	164,115,002
61 - 90 days past due	2,926,347	603,963,008
Over 90 days past due	388,719,583	264,883,625
	5,348,326,125	3,008,812,840
23.1.1 Movement in allowance for credit losses		
At 1 January	183,013,990	13,964,845
Debt recovery	(29,417,468)	-
Allowance for the year	264,323,922	169,049,145
At 31 December	417,920,444	183,013,990
23.2 Key management personnel and staff loans		
Loan to key management personnel	-	-
Staff loans and advances	61,989,113	474,237
Allowance for expected credit losses	-	-
	61,989,113	474,237

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

Relationship with key management Personnel

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

Transactions

During the year, there were transactions carried out by the key management personnel of the Company. These are stated in Note 31.2. However, the Directors' fees, allowances and other entitlements are stated in Note 35.

24. Cash and cash equivalents

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

	2025	2024
	N	N
Cash in hand	2,182,655	106,400
Cash at bank	1,328,736,919	43,419,694
	<u>1,330,919,574</u>	<u>43,526,094</u>
Short term deposits (note 24.1)	1,211,026,431	4,054,292
	<u>2,541,946,005</u>	<u>47,580,386</u>

24.1 Short term deposits

Investment in Apel Investment Trust (note 24.1.1)	4,118,762	-
Investment in GT Money Market Fund (note 24.1.2)	1,206,907,669	4,118,762
	<u>1,211,026,431</u>	<u>4,118,762</u>

24.1.1 Investment in Apel Investment Limited

This represents the balance of unclaimed dividends invested in Apel Investment Trust in the previous years.

24.1.2 Investment in GT Money Market

In the current year, the company invested N1.35 billion in GT Money Market Fund, a money market fund managed by Guaranty Trust Fund Managers Limited. The investment does not have a fixed tenor and is open-ended, allowing the Company to maintain the investment for any period while retaining the right to redeem units at any time. Returns on the investment accrue daily based on the performance of the underlying portfolio and are not subject to a fixed interest rate. In December 2025, N150.0 million was redeemed.

25. Current tax assets

These represent withholding tax receivable as at year end.

	2025	2024
	N	N
At 1 January	-	57,687,440
Adjustment	-	(30,546,742)
Withholding tax during the year	195,605,606	113,121,124
Withholding tax credit notes applied	<u>(195,605,606)</u>	<u>(140,261,822)</u>
At 31 December	<u>-</u>	<u>-</u>

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
26. Other current assets		
Prepaid insurance	27,360,488	12,759,401
Prepaid fees on loan	726,867	9,440,600
Prepayment - others	10,249,496	-
Deferred costs (note 26.1)	130,115,658	3,870,000
	<u>168,452,509</u>	<u>26,070,001</u>

26.1 Deferred costs

These represent costs relating to sale of shares and also current portion of costs on environmental evaluation study and audit.

Costs on environmental evaluation study	3,870,000	3,870,000
Costs relating to sale of shares	126,245,658	-
	<u>130,115,658</u>	<u>3,870,000</u>

27. Share capital

Issued and fully paid

889,981,552 ordinary shares of N0.50 each	<u>444,990,776</u>	<u>444,990,776</u>
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27.1 At the Annual General Meeting of company held on 25th July 2024, the Shareholders passed a resolution to:

(a) Increase the share capital of the company from N444,990,776 to N1,000,000,000.

(b) Raise additional equity capital by way of Public Offer and Rights Issue subject to the approval of Regulatory Authorities.

(c) Alter Clause 6 of the Memorandum of Association to read “That the Share Capital of the Company is N1,000,000,000 (One Billion Naira) divided into 2,000,000,000 (Two Billion) ordinary shares of 50kobo each”

Machinery has been set in motion to implement these resolutions.

28. Share premium

At 1 January	17,780,000	17,780,000
Additional share premium	-	-
At 31 December	<u>17,780,000</u>	<u>17,780,000</u>

29. 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/2012/00000000254) 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.

	2025	2024
	N	N
At 1 January	303,473,535	303,473,535
Revaluation surplus	-	-
At 31 December	<u>303,473,535</u>	<u>303,473,535</u>

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

	2025	2024
	N	N
30. Retained earnings		
At 1 January	1,707,751,603	411,981,089
Adjustments (note 30.1)	-	(30,514,639)
Dividends	(88,998,155)	(53,398,893)
Profit for the year	<u>3,388,055,017</u>	<u>1,379,684,046</u>
At 31 December	<u>5,006,808,465</u>	<u>1,707,751,603</u>
30.1 Adjustments		
These represent adjustments made to correct bank opening balance, and also withholding tax balance in TaxPROMAX in the prior year.		
31. Trade and other payables		
Trade payables	2,221,595,556	848,844,753
Dividend payable (note 31.1)	5,887,283	4,198,824
Director's current account (note 31.2)	-	187,000
Advances from customer (note 31.3)	60,030,879	-
Other payables	2,265,462	1,054,450
Accruals (note 31.4)	<u>897,476,344</u>	<u>250,115,704</u>
	<u>3,187,255,524</u>	<u>1,104,400,731</u>
31.1 Dividend payable		
Declared Dividends (note 31.1.1)	-	-
Unclaimed Dividends (31.1.2)	3,938,617	2,314,628
Interest on Unclaimed Dividends (31.1.3)	<u>1,948,666</u>	<u>1,884,196</u>
	<u>5,887,283</u>	<u>4,198,824</u>
31.1.1 Declared Dividends		
At 1 January	-	-
Dividends declared during the year	88,998,155	53,398,893
Payments made during the year	<u>(88,998,155)</u>	<u>(53,398,893)</u>
At 31 December	<u>-</u>	<u>-</u>
At the 26th Annual General Meeting held on 25 April 2025, the Shareholders approved dividend of 10 kobo per ordinary share payable out of the profit for the year ended 31 December 2024.		
31.1.2 Unclaimed Dividends		
At 1 January	2,314,628	5,315,094
Unclaimed dividends during the year	1,623,989	-
Payments made during the year	-	<u>(3,000,466)</u>
At 31 December	<u>3,938,617</u>	<u>2,314,628</u>
31.1.3 Interest on Unclaimed Dividend		
At 1 January	1,884,196	1,391,097
Interest on unclaimed dividends	64,470	493,099
Payments made during the year	-	-
At 31 December	<u>1,948,666</u>	<u>1,884,196</u>

THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

31.2 Director's current account

This represents funds provided by the Managing Director to the company.

	2025	2024
	N	N
At 1 January	187,000	483,735
Adjustment	(187,000)	-
Funds provided during the year	11,000,000	36,846,215
Repayments during the year	<u>(11,000,000)</u>	<u>(37,142,950)</u>
At 31 December	<u><u>-</u></u>	<u><u>187,000</u></u>

31.3 Advance from customer

This represents 10% advance paid by a customer in the current year for which job was not executed as at 31 December 2025.

60,030,879	-
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31.4 Accruals

Accrued Audit Fees	3,000,000	4,000,000
Accrued Directors' Fees	-	5,200,000
Accrued Board expenses	57,814,793	
Accrued Interest on Loan	9,157,327	10,030,320
Accrued Professional Fees	2,000,000	2,000,000
Accrued Staff Performance Bonus	50,000,000	20,000,000
Accrued Security and Community Expenses	60,361,472	1,755,590
Accrued Industrial Training Fund	3,726,809	2,525,895
Accrued Waste Disposal	227,461,692	5,309,275
Accrued Waste Treatment	247,121,600	196,600,000
Accrued Contract Staff Wages	2,000,000	2,400,000
Accrued consumables	220,176,854	-
Accrued terminal benefits	14,595,567	-
Other accrued expenses	60,230	294,624

897,476,344	250,115,704
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32 Other current tax liabilities

Pay As You Earn	990,360	936,071
Withholding tax payable	74,706,826	58,062,224
Value Added Tax - Suppliers	132,117,947	73,034,955
Value Added Tax - Customers	389,853,010	221,882,345

597,668,143	353,915,595
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33. Employees' benefits

Defined contribution plans (note 33.1)

4,968,505	5,726,408
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33.1 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.

	2025	2024
	N	N
At 1 January	5,726,408	2,995,027
Provision for the year	33,272,060	16,857,021
Payments made during the year	<u>(34,029,963)</u>	<u>(14,125,640)</u>
At 31 December	<u><u>4,968,505</u></u>	<u><u>5,726,408</u></u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

34. 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.
- Irrevocable domiciliation of contract proceeds to Providus Bank.

- Personal Guarantee of the Managing Director and another director supported by notarized Statements of Networth.

34.1 Long Term Borrowings

	2025 N	2024 N
Loan facility from Bank of Industry (note 34.1.1)	<u>98,000,000</u>	<u>350,000,000</u>

34.1.1 Loan facility from Bank of Industry

At 1 January	350,000,000	550,000,000
Loan during the year	-	-
Repayments during the year	<u>(252,000,000)</u>	<u>(200,000,000)</u>
At 31 December	<u>98,000,000</u>	<u>350,000,000</u>

34.2 Short Term Borrowings

These represent invoice discounting facilities obtained in 2025 from Providus Bank Plc and also loans from other sources.

	2025 N	2024 N
Providus Bank Plc (note 34.2.1)	-	178,805,728
Wema Bank Plc (note 34.2.2)	-	-
Loans from other sources (note 34.2.3)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>178,805,728</u>

34.2.1 Providus Bank Plc

At 1 January	178,805,728	134,908,950
Invoice Discounting Facility during the year	489,824,787	602,464,418
Repayments during the year	<u>(668,630,515)</u>	<u>(558,567,640)</u>
At 31 December	<u>-</u>	<u>178,805,728</u>

34.2.2 Wema Bank Plc

At 1 January	-	134,908,950
Invoice Discounting Facility during the year	-	-
Repayments during the year	<u>-</u>	<u>(134,908,950)</u>
At 31 December	<u>-</u>	<u>-</u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

	2025	2024
34.2.3 Loans from other sources	N	N
At 1 January	-	-
Loan during the year	6,710,000	54,400,000
Repayments during the year	<u>(6,710,000)</u>	<u>(54,400,000)</u>
At 31 December	<u><u>-</u></u>	<u><u>-</u></u>
35. Information regarding directors		
35.1. Directors		
Directors' emoluments comprises:		
Fees	5,200,000	5,200,000
Others - salaries and allowances	<u>142,189,277</u>	<u>39,501,931</u>
	<u>147,389,277</u>	<u>44,701,931</u>
Emolument of the highest paid Director (Managing Director)	<u>54,007,000</u>	<u>27,360,000</u>
Other directors with emoluments	<u>Number</u> <u>Nil</u>	<u>Number</u> <u>Nil</u>
The number of directors with gross emoluments within the band stated were:		
	Number	Number
Below N3,000,000	-	-
N3,000,001 - N7,000,000	-	-
N7,000,001 and above	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

36. Financial Risk Management

Risk management framework

The Board of Directors has over all responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee reports regularly to the Board of Directors on its activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- a credit risk
- b liquidity risk
- c market risk
- d operational risk

a. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalents, including deposits with banks, amount due from related parties and staff loans.

The Company's principal exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company manages employee loans by ensuring that each employee does not exceed a loan greater than 40% of his or her annual pay, and only employees who meet this requirement receives a loan facility from the Company.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored by the credit control unit and management conducts frequent reviews.

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Cash and cash equivalents are placed with banks which are regulated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Counterparty credit limits are reviewed periodically, and may be updated at any point in the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure.

i Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

		2025	2024
	Note	N	N
Trade and other receivables	23	4,992,394,794	2,826,925,282
Cash and cash equivalents	24	<u>2,541,946,005</u>	<u>47,580,386</u>
		<u>7,534,340,799</u>	<u>2,874,505,668</u>

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

	Note		
Customers	23	4,930,405,681	2,825,798,850
Staff loans and advances	23	61,989,113	474,237
Other receivables		<u>-</u>	<u>652,195</u>
		<u>4,992,394,794</u>	<u>2,826,925,282</u>

The Company's most significant customer accounts for N4.3 billion (2024: N1.7 billion) of the trade and other receivables carrying amount at 31 December 2025.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

ii Impairment losses

Trade receivables

For trade receivables, the Company applied the simplified approach in computing expected credit losses (ECL). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 36 (i). The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables as at 31 December 2025 using a provision matrix:

31 December 2025

	Trade Receivables					Total
	Days Past Due					
	Current	1 - 30 days	31 - 60 days	61 - 90 days	> 90 days	
Expected credit loss rate	0.50%	1.00%	1.50%	2.00%		
Estimated total gross carrying amount at	4,340,713,862	360,145,836	255,820,497	2,926,347	388,719,583	5,348,326,125
Expected credit loss	(21,703,569)	(3,601,458)	(3,837,307)	(58,527)	(388,719,583)	(417,920,444)
	4,319,010,293	356,544,378	251,983,190	2,867,820	-	4,930,405,681

31 December 2024

	Trade Receivables					Total
	Days Past Due					
	Current	1 - 30 days	31 - 60 days	61 - 90 days	> 90 days	
Expected credit loss rate	0.50%	1.00%	1.50%	2.00%		
Estimated total gross carrying amount at	1,973,924,423	1,926,782	164,115,002	603,963,008	264,883,625	3,008,812,840
Expected credit loss	(9,869,622)	(19,268)	(2,461,725)	(12,079,260)	(158,584,115)	(183,013,990)
	1,964,054,801	1,907,514	161,653,277	591,883,748	106,299,510	2,825,798,850

Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for its other receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days pastdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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YEAR ENDED 31 DECEMBER 2025

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

31 December 2025	Carrying Amount	Contractual Cash flows	Less than 1 year	1-2 Years	2-5 Years
Non derivative financial liabilities					
Long Term Borrowings	98,000,000	98,000,000	-	-	98,000,000
Trade and other payables	3,187,255,524	3,187,255,524	-	3,187,255,524	-
	3,285,255,524	3,285,255,524	-	3,187,255,524	98,000,000

31 December 2024	Carrying Amount	Contractual Cash flows	Less than 1 year	1-2 Years	2-5 Years
Non derivative financial liabilities					
Long Term Borrowings	350,000,000	350,000,000	-	-	350,000,000
Trade and other payables	1,104,400,731	1,104,400,731	-	1,104,400,731	-
	1,454,400,731	1,454,400,731	-	1,104,400,731	350,000,000

c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, foreign currency risk, and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages market risks by keeping costs low through different cost optimization initiatives and productivity agenda. Furthermore, market developments are monitored constantly through scenario planning and events assessed regularly with a view to taking mitigating actions where necessary.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (i.e. when revenue/expenses and assets/liabilities are denominated in a different currency from the Company's functional currency). The Company's exposure for the reporting periods shown is mainly due to trade receivables and payables denominated in foreign currencies.

The Company manages its currency risk by converting its transactions denominated in foreign currency to its functional currency on the date of receipt of invoice and records any exchange gain or loss on settlement of the invoice as they arise, without hedging. The Company invoices for services rendered to some of its customers in the functional currency - the Nigerian Naira (100% NGN) and others partly in the functional currency - the Nigerian Naira (40% NGN) and foreign currency - (60% USD). The Company's currency risk is mainly as a result of exposure to the USD and arises predominantly as a result of amounts receivable from customers, and payable to vendors.

The Company monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

ii Interest rate risk

The Company adopts a policy of ensuring that a significant element of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into loan arrangements with mixed interest rate sources. Variable interest rates are marked against the ruling rates to reduce the risk arising from interest rates.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the over all duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

d. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for the appropriate segregation of duties, including the authorisation of transactions
- requirements for the reconciliations and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remediation action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when it is effective

Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

35.1 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

i Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cashflows, discounted at the market rate of interest at the measurement date. Fair value for short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at each annual reporting date.

ii Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

iii Share-based payment transactions

The fair value of the restricted stock unit plan is measured based on market prices of the awarded shares on the grant date adjusted for the present value of dividends that participants are not entitled to receive during the restricted period of 3 years.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	N	N	N	N
Loans and receivables	4,992,394,794	4,992,394,794	2,826,925,282	2,826,925,282
Cash and cash equivalents	<u>2,541,946,005</u>	<u>2,541,946,005</u>	<u>47,580,386</u>	<u>47,580,386</u>
	<u>7,534,340,799</u>	<u>7,534,340,799</u>	<u>2,874,505,668</u>	<u>2,874,505,668</u>
Financial liabilities	N	N	N	N
Borrowings	98,000,000	98,000,000	350,000,000	350,000,000
Trade and other payables	<u>3,187,255,524</u>	<u>3,187,255,524</u>	<u>1,104,400,731</u>	<u>1,104,400,731</u>
	<u>3,285,255,524</u>	<u>3,285,255,524</u>	<u>1,454,400,731</u>	<u>1,454,400,731</u>

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

At the end of the year, the carrying amounts of loans and receivables and trade and other payables reasonable estimated their fair values.

36.2 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's debt to capital ratio at the end of the reporting period was as follows:

	2025	2024
	N	N
Total liabilities	5,973,735,711	2,646,265,764
Cash and cash equivalents	(2,541,946,005)	(47,580,386)
Net debt	<u>3,431,789,706</u>	<u>2,598,685,378</u>
Total Equity	<u>5,753,609,127</u>	<u>2,473,995,914</u>
Debt to capital ratio as at 31 December	<u>0.60</u>	<u>1.05</u>

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

37. Guarantees and other financial commitments

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

38. 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.

39. Contingent liabilities

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

40. Capital commitments

There were no capital commitments as at 31 December 2025.

41. Reclassification of Balances

Certain comparative balances have been reclassified to provide a more meaningful comparison.

42. Events after the reporting date

There were no events after the reporting period which could have had a material effect on the financial position of the Company as at 31 December 2025, and its financial performance for the year ended, that have not been adequately provided for or disclosed in these financial statements.

43. Non-audit services

The External Auditors also provide tax services to the Company. In the current year, the total amount of non-audit fees paid to our auditors amounted to N2.0 million (2024 - N2.0 million). The non-audit fee is part of the professional fees in Note 9.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2025

44. 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 Odejobi 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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OTHER NATIONAL DISCLOSURES

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STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2025

	2025		2024	
	N	%	N	%
Revenue	11,698,628,274		4,663,473,951	
Other income	73,843,240		189,910,803	
	<u>11,772,471,514</u>		<u>4,853,384,754</u>	
Less: Bought in materials and services				
Imported	14,683,089		61,008,174	
Local	6,198,232,330		2,485,894,344	
Value added	<u><u>5,559,556,095</u></u>	<u><u>100</u></u>	<u><u>2,306,482,236</u></u>	<u><u>100</u></u>
Applied as follows:				
To pay employees' salaries, wages and other benefits	341,647,556	6	186,605,862	8
To pay Government taxation	1,471,278,448	26	527,842,768	23
To provide for enhancement of assets and expansion:				
- deferred tax	212,195,994	4	144,914,701	6
- depreciation of property, plant and equipment	146,379,080	3	67,434,859	3
- retained in the business	3,388,055,017	61	1,379,684,046	60
	<u><u>5,559,556,095</u></u>	<u><u>100</u></u>	<u><u>2,306,482,236</u></u>	<u><u>100</u></u>

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

	←	31 December			→
	2025	2024	2023	2022	2021
	N	N	N	N	N
Statement of Financial Position					
Assets employed					
Property, plant and equipment	2,698,515,490	1,930,266,501	1,531,133,502	1,140,204,567	833,863,484
Asset-in-transit	1,040,257,792	150,050,804	120,589,302	265,057,884	-
Intangible assets	10,965,000	-	-	-	-
Other non-current assets	-	4,596,867	17,907,467	31,218,067	29,048,667
Investment in associate	239,467,162	105,619,312	105,259,214	105,140,247	-
Current Assets	7,738,139,394	2,929,728,194	784,878,064	548,397,709	931,537,536
Total Assets	11,727,344,838	5,120,261,678	2,559,767,549	2,090,018,474	1,794,449,687
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	5,006,808,465	1,707,751,603	411,981,089	(53,379,368)	323,300
Foreign currency translation reserve	(19,443,649)	-	-	-	-
	5,753,609,127	2,473,995,914	1,178,225,400	712,864,943	766,567,611
Liabilities					
Non-current liabilities	577,237,574	617,041,580	672,126,879	782,519,191	823,084,353
Current liabilities	5,396,498,137	2,029,224,184	709,415,270	594,634,340	204,797,723
Total liabilities and equity	11,727,344,838	5,120,261,678	2,559,767,549	2,090,018,474	1,794,449,687
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	11,698,628,274	4,663,473,951	1,849,471,769	841,469,215	333,899,008
Profit/(loss) before taxation	5,071,529,459	2,052,441,515	520,951,114	(43,371,614)	(62,236,489)
Income tax expense	(1,683,474,442)	(672,757,469)	(171,546,102)	(10,331,054)	(15,004,809)
Profit/(loss) after taxation	3,388,055,017	1,379,684,046	349,405,012	(53,702,668)	(77,241,298)
Other Comprehensive income					
Exchange difference on translation of investment in foreign associate	(19,443,649)	-	-	-	-
Other comprehensive income for the year	(19,443,649)	-	-	-	-
Total comprehensive income/(loss) for the year	3,368,611,368	1,379,684,046	349,405,012	(53,702,668)	(77,241,298)
Basic earnings/(loss) per share (kobo)	381	155	39	(6)	(9)
Net assets per share (kobo)	646	278	132	80	86

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.