

# **INDUSTRIAL AND MEDICAL GASES NIGERIA PLC**

**RC 2035**

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## REPORT TO THE NIGERIAN STOCK EXCHANGE


### Industrial & Medical Gases Nigeria plc Condensed statement of comprehensive income


	Notes	Unaudited Jul - Sept. 2022 =N='000	Unaudited Jan- Sept. 2022 =N='000	Unaudited Jul - Sept. 2021	Unaudited Jan- Sept. 2021	Audited Jan- Dec 2021 =N='000
Revenue	15	1,433,808	3,812,464	986,526	2,757,632	3,699,230
Cost of sales		(630,841)	(1,742,336)	(439,524)	(1,304,056)	(1,677,381)
<b>Gross profit</b>		<b>802,967</b>	<b>2,070,128</b>	<b>547,002</b>	<b>1,453,577</b>	<b>2,021,849</b>
Other Income	16	4,517	26,984	9,269	20,005	28,528
Other expenses		(3,666)	(10,964)	(2,787)	(8,426)	(10,774)
Selling and Distribution Expenses	17	(233,279)	(641,477)	(218,292)	(476,938)	(680,267)
Administrative expenses		(210,496)	(622,417)	(143,325)	(498,766)	(863,797)
<b>Operating profit</b>		<b>360,042</b>	<b>822,254</b>	<b>191,868</b>	<b>489,452</b>	<b>495,539</b>
Finance income	18	5,840	45,820	21,135	37,704	62,794
Finance cost		(248,037)	(354,520)	(26,783)	(96,787)	(6,137)
<b>Profit before income tax</b>		<b>117,845</b>	<b>513,554</b>	<b>186,220</b>	<b>430,369</b>	<b>552,196</b>
Income tax (provision)		(27,156)	(154,066)	(32,286)	(107,998)	(180,177)
<b>Net Profit for the 9 months</b>		<b>90,689</b>	<b>359,488</b>	<b>153,934</b>	<b>322,371</b>	<b>372,019</b>
Other comprehensive income						
Defined benefit plan actuarial gain		-	-	-	-	-
Tax on actuarial gain		-	-	-	-	-
<b>Total comprehensive income for the 9 months</b>		<b>90,689</b>	<b>359,488</b>	<b>153,934</b>	<b>322,371</b>	<b>372,019</b>
<b>Basic and diluted earnings per share (kobo)</b>		<b>22</b>	<b>86</b>	<b>37</b>	<b>77</b>	<b>89</b>

**Industrial & Medical Gases Nigeria plc**  
**Condensed statement of financial position**

		<b>Un audited</b> <b>Jan- Sept. 2022</b> <b>=N='000</b>	<b>Audited</b> <b>Jan-Dec 2021</b> <b>=N='000</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	10	2,211,486	2,084,838
Right of Use Assets		-	-
Other tax assets		34,047	34,047
Prepayments and other assets		-	-
		2,245,533	2,118,885
<b>Current assets</b>			
Inventories	11	618,039	493,039
Trade debtors and other receivables		770,576	489,815
Prepayments		242,683	189,132
Other tax assets		382,787	287,856
Cash and cash equivalents		1,405,848	2,017,284
		3,419,933	3,477,126
<b>Total assets</b>		<b>5,665,465</b>	<b>5,596,011</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
Share Capital		208,122	208,122
General reserve		3,204,004	2,844,517
Other reserves		436	436
<b>Total Equity</b>		3,412,563	3,053,075
<b>Non current liabilities</b>			
Employee benefit liability	12	19,925	19,925
Lease Liabilities		-	-
Deferred tax liabilities		391,659	391,659
		411,584	411,584
<b>Current liabilities</b>			
Current tax liabilities		457,590	325,394
Trade creditors		453,228	431,920
Other creditors & accruals	13	625,028	532,499
Provision		71,764	56,764
Contract liability		100,375	141,038
Dividend payable		133,333	133,333
Amount due to related companies	14	-	510,404
		1,841,319	2,131,352
<b>Total liabilities</b>		<b>2,252,903</b>	<b>2,542,936</b>
<b>Total equity and liabilities</b>		<b>5,665,465</b>	<b>5,596,011</b>

This financial statements were approved by the Board of Directors on 21 October and signed on its behalf by:

  
Ayodeji Oseni  
Managing Director FRCN/2017/IODN/000000/15942

  
Adeshina Alayaki  
Finance Director FRC/2013/ICAN/00000000939

**Industrial & Medical Gases Nigeria plc**

**Condensed statement of cash flows**

	<b>Jan- Sept. 2022</b> <b>=N='000</b>	<b>Jan-Dec 2021</b> <b>=N='000</b>
<b>Cash flows from operating activities</b>		
Profit Before Income Tax	822,254	495,539
Adjustments for non-cash items:		
Depreciation	210,647	270,012
Gain/loss from sales of fixed assets	28,846	(1,103)
Working capital changes:		
Inventories	(125,000)	(60,137)
Trade and other receivables	(375,692)	(43,716)
Trade and other payables	21,308	178,307
Related companies accounts	(510,404)	-
Prepayments	(53,551)	137,106
Other current liabilities	66,867	51,718
Right of use	-	80,293
Lease liabilities	-	(108,600)
Income tax paid	(21,869)	(84,278)
<b>Net cash from operating activities</b>	<b>63,405</b>	<b>915,141</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(453,998)	(187,782)
Proceeds from sales of fixed assets	87,856	1,118
Interest received	45,820	62,794
<b>Net cash from investing activities</b>	<b>(320,322)</b>	<b>(123,870)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	-	(412,557)
Interest expense - lease	(354,520)	(4,782)
<b>Net cash from financing activities</b>	<b>(354,520)</b>	<b>(417,339)</b>
<b>Net increase in cash and cash equivalent</b>	<b>(611,436)</b>	<b>373,932</b>
Cash and cash equivalent at 1 January	2,017,284	1,643,352
<b>Cash and cash equivalent at 31 December</b>	<b>1,405,848</b>	<b>2,017,284</b>

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

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>=N='000</b>	<b>=N='000</b>	<b>=N='000</b>
<b>Balance at 1 January</b>			
Balance at 1 January 2022	208,122	2,844,953	3,053,075
Profit for the period		359,488	359,488
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred			-
Dividends paid/declared			-
<b>Balance at 30 September 2022</b>	<b>208,122</b>	<b>3,204,441</b>	<b>3,412,563</b>
Balance at 1 January 2021	208,122	2,671,118	2,879,240
Profit for the period		372,019	372,019
Other Comprehensive Income- Actuarial gain		436	436
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred		9,502	9,502
Dividends paid/declared		(208,122)	(208,122)
<b>Balance at 31 December 2021</b>	<b>208,122</b>	<b>2,844,953</b>	<b>3,053,075</b>

## Notes to the condensed financial statements

### 1. Statement of compliance

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

### 1b. Securities Trading Policy

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

### 2. Basis of preparation

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

### 3. Accounting policies

The financial statements have been prepared applying the same accounting policies as used in the last audited financial statements for the year ended 31 December 2021

### 4. Unusual items

There were no unusual items within the period

### 5. Changes in estimates

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

### 6. Debt and equity transactions

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

### 7. Contingent liabilities

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

### 8. Changes in the composition of the company

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

### 9. Significant accounting policies

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

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

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

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

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

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

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

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

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

### 10. Property, Plant & Equipment

	Jan- Sept. 2022 =N='000	Jan-Dec 2021 =N='000
Land	2,542	2,542
Buildings	109,157	99,431
Plant & machinery	1,032,460	1,043,722
Motor Vehicle	329,733	274,736
Furniture & fittings	15,020	11,427
Cylinders	395,961	322,500
WIP	326,613	330,480
	<u>2,211,486</u>	<u>2,084,838</u>

### 11. Inventories

Raw materials and consumables	213,297	194,278
Finished goods	400,484	298,688
Goods-in-transit	4,259	73
	<u>618,039</u>	<u>493,039</u>

**12. Employee benefit liability**

The long service award benefit plan

19,925	19,925
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**13. Other creditors & accruals**

VAT	45,368	13,992
Leave allowance payable	9,758	9,758
Professional fee payable	15,517	18,375
Other accrued expenses	291,182	197,108
PAYE	13,275	10,698
Pension	10,111	147
Cylinder deposits	239,818	282,421
	<b>625,028</b>	<b>532,499</b>

**14. Group Current Account**

IMG due to TY Holdings

-	510,404
-	<b>510,404</b>

**15. Revenue**

	Jul - Sept. 2022	Jan- Sept. 2022	Jul - Sept. 2021	Jan- Sept. 2021	Jan-Dec 2021
Gas sales	1,375,573	3,609,134	936,754	2,603,333	3,482,130
Engineering services	18,033	38,338	21,617	42,131	70,762
Sales of gas equipment and delivery charges	40,202	164,992	28,155	112,169	146,338
	<b>1,433,808</b>	<b>3,812,464</b>	<b>986,526</b>	<b>2,757,632</b>	<b>3,699,230</b>

**16. Other income**

Income from hire of genset	9,139	27,923	7,457	18,193	25,398
Gain/(loss) on sale of property, plant and equipment	(4,622)	(1,343)	-	-	1,103
Gain on sale of scrap	-	404	1,812	1,812	2,027
	<b>4,517</b>	<b>26,984</b>	<b>9,269</b>	<b>20,005</b>	<b>28,528</b>

**17. Selling & Distribution**

Selling expenses	(54,879)	(187,941)	(74,474)	(159,924)	(220,359)
Distribution expenses	(178,400)	(453,132)	(142,005)	(315,202)	(459,908)
	<b>(233,279)</b>	<b>(641,073)</b>	<b>(216,480)</b>	<b>(475,126)</b>	<b>(680,267)</b>

**18. Finance Income and finance cost**

(a) Finance income comprises

Interest income on bank deposits	5,840	45,820	21,135	37,704	62,794
Net gain on foreign exchange transactions	-	-	-	-	-
	<b>5,840</b>	<b>45,820</b>	<b>21,135</b>	<b>37,704</b>	<b>62,794</b>

(b) Finance expenses comprises

Interest expense on lease liabilities	-	-	(473)	(4,782)	(4,782)
Net loss on foreign exchange transactions	(248,037)	(354,520)	(26,310)	(92,005)	-
Interest cost on employee benefit obligation	-	-	-	-	(1,355)
	<b>(248,037)</b>	<b>(354,520)</b>	<b>(26,783)</b>	<b>(96,787)</b>	<b>(6,137)</b>