

ALUMINIUM EXTRUSION INDUSTRIES PLC

**FINANCIAL STATEMENTS
30 JUNE 2021**

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

	Notes	Apr-June 2021 N'000	Jan-June 2021 N'000	Apr-June 2020 N'000	Jan-June 2020 N'000
Revenue	1.0	682,101	1,364,201	496,623	993,246
Cost of sales	2.0	(582,207)	(1,164,414)	(427,385)	(854,769)
Gross profit		99,894	199,787	69,238	138,477
Other income	2.1	2,720	5,441	114	114
Staff costs		102,614	205,228	69,352	138,591
Depreciation and amortization	5.0	(8,826)	(17,652)	(8,826)	(17,652)
Selling expenses		(4,062)	(8,131)	(4,536)	(9,072)
Administrative expenses		(38,772)	(77,543)	(36,351)	(72,701)
Finance cost		(9,285)	(18,570)	(10,587)	(21,174)
Administrative and finance cost		(60,945)	(121,896)	(60,300)	(120,599)
Result for the year		41,669	83,332	9,052	17,992
Taxation write-back/(expense)		(7,500)	(15,000)	(7,500)	(15,000)
Profit for the year		<u>34,169</u>	<u>68,332</u>	<u>1,552</u>	<u>2,992</u>
Other Comprehensive income					
Transferrable to retained earnings;					
- Actuarial gain/(loss)		-	-	-	-
Not transferrable to retained earnings;					
- Revaluation gain/(loss)		-	-	-	-
Total Comprehensive income		<u>34,169</u>	<u>68,332</u>	<u>1,552</u>	<u>2,992</u>
Earnings per share (kobo)		<u>16</u>	<u>31</u>	<u>0.1</u>	<u>1</u>

The notes and statements on pages 6 to 21 form part of these financial statements.

ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Dec 2021	June 2020
ASSETS	Notes	N'000	N'000
Non-current assets			
Property, plant and equipment	5	1,795,591	1,813,243
Intangible assets	5.1	500	500
		<u>1,796,091</u>	<u>1,813,743</u>
Current assets			
Inventories	7	566,483	515,678
Trade and other receivables	8	14,511	27,778
Cash and cash equivalents	9	160,949	199,033
Other current assets	10	6,737	10,332
Total Current Assets		<u>748,680</u>	<u>752,821</u>
		<u>2,544,771</u>	<u>2,566,564</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	109,978	109,978
Share premium	12	124,956	124,956
Revaluation reserve	13	973,255	973,255
Retained earnings	14	872,413	804,081
		<u>2,080,602</u>	<u>2,012,270</u>
Non-current liabilities			
Deferred taxation	15	163,187	163,187
Borrowings		-	-
Total Non-current liabilities		<u>163,187</u>	<u>163,187</u>
Current liabilities			
Short term borrowings	16	55	55
Trade and other payables	17	245,688	326,138
Current tax liabilities	18	36,929	47,359
Other current tax liabilities	19	4,744	978
Dividends	20	13,566	13,566
Other current liabilities	21	-	3,010
Total current liabilities		<u>300,982</u>	<u>391,106</u>
Total liabilities		<u>464,169</u>	<u>554,293</u>
Total equity and liabilities		<u>2,544,771</u>	<u>2,566,563</u>

The interim financial statements were approved by the Board of Directors on 22 July, 2021 and signed on its behalf by:



Mr. Levi E. Amahe
Financial Controller
FRC/2021/001/00000022804



Mr. V. Ganesh
Managing Director
FRC/2017/IODN/00000016367



Dr. Pascal G. Dozie
Chairman
FRC/2013/CIBN/00000002852

The notes and statements on pages 6 to 21 form part of these financial statements.

ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF CHANGES IN EQUITY

PERIOD ENDED 30 JUNE 2021

	Share capital N'000	Share premium N'000	Revaluation reserve N'000	Retained earnings N'000	Total N'000
At 1 January	109,978	124,956	973,255	649,572	1,857,761
Net profit for the year	-	-	-	68,332	68,332
Incorporation of asset after lease expiration	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
At 30 June	109,978	124,956	973,255	717,904	1,926,093

YEAR ENDED 30 JUNE 2020

	Share capital N'000	Share Premium N'000	Revaluation reserve N'000	Retained earnings N'000	Total N'000
At 1 January	109,978	124,956	973,255	646,580	1,854,769
Net profit for the year	-	-	-	2,992	2,992
Dividend paid during the year	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
At 30 June	109,978	124,956	973,255	649,572	1,857,761

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	Note	30 June 2021 N'000	30 June 2020 N'000
Cash flows from operating activities			
Cash receipt from customers		1,330,258	1,113,210
Payment to suppliers and employees		(1,278,511)	(849,996)
Income tax paid		(25,000)	(14,894)
Net cash flow provided by operating activities		26,747	248,320
Cash flows from investing activities			
Payment for property, plant and equipment		-	-
Net cash flow used in investing activities		-	-
Cash flows from financing activities			
Finance cost		(18,570)	(21,174)
Borrowings		-	-
Dividend paid		-	-
Net cash flow used in financing activities		(18,570)	(21,174)
Net increase in cash and cash equivalents		8,177	227,146
Cash and cash equivalents at 1 January		152,772	(74,374)
Cash and cash equivalents at 31 December		<u>160,949</u>	<u>152,772</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

1 Revenue

Revenue represents the total amount invoiced to customers for goods supplied and services rendered after deducting trade discounts and commissions, and comprises the sale of aluminium profiles, Aluminium roofing sheets and billets.

Sales were made to third parties and to Tower Extrusions, a division of Tower Aluminium (Nigeria) Limited.

	June 2021	June 2020
	N'000	N'000
2 Cost of sales		
Cost of raw materials consumed	929,243	643,311
Chemicals consumed	14,475	12,626
Electricity, diesel and lubricants	148,339	123,574
Salaries and wages	31,514	23,134
Factory repairs and maintenance	40,843	52,124
	<u>1,164,414</u>	<u>854,769</u>
2.1 Other Income		
Sale of metal scraps	<u>5,441</u>	<u>114</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

3 Reporting Entity

Aluminium Extrusion Industries Plc. was incorporated on 26 October, 1982 and commenced business in 1987. Its principal activities are the manufacture and sale of a range of extruded Aluminium profiles, billets and roofing sheets.

The company's facilities are located at Inyishi, outskirts of Owerri, in Imo State of Nigeria and consists of extruded aluminium plant, billet casting plant, powder-coated plant, aluminium roofing sheet plant, product storage. Other facilities at Suleja, Niger State consisting of a leased powder-coating plant housed in factory building. All of the company's assets are located in Nigeria.

The company sells its finished products and by-products in the domestic market. Its products are of very high quality and in stiff competition with the foreign ones.

The current shareholders of the company (who are herein collectively referred to as the "shareholders") are as follows:-

Shareholders	% Holding
Tower Aluminium (Nigeria) Limited.	67.80
Imo State Government	8.27
Abia State Government	6.14
Ebonyi State Government	1.50
Nigerian Citizens and Associations	16.29
	<u>100.00</u>

3.1 Basis of Accounting

3.2 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards, Company and Allied Matters Act, cap C20 LFN 2004 and the Financial Reporting Act, 2011 in addition to the guidelines. 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

They were authorised for issue by the Company's Board of Directors on 20 March 2021.

3.3 Basis of measurement

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

- The financial instruments (borrowings) measured at amortized cost
- Property, plant & equipment carried at revalued amount.
- Inventory measured at at the lower of cost and net realisable value

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

3 Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

3.1 Adoption of new and revised IFRS standards

The following revisions to accounting standards and pronouncements were issued and made effective beginning on or after 1 January 2018.

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
a IFRS 9 Financial Instruments	IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items, a single approach to determine whether a financial asset is measured at amortised cost or fair value and a single impairment method. This standard has replaced IAS 39; Financial instruments, recognition and measurement.	1 January 2018
b IFRS 15 Revenue Contracts with customers	This standard is a replacement of IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer loyalty programmes, IFRIC 15 – Agreement for the Construction of Real Estate, IFRS 18 – Transfer of Assets from Customers and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. The amendment does not change the underlying principles of the standard, they clarify and offer some additional transition relief.	1 January 2018
c IFRS 16 Leases Issued by NASB in January 2016	IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single model for lessees which will result in almost all leases being included in the Statement of Financial Position.	1 January 2019

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

Required to be
implemented for
periods beginning
on or after

Pronouncement	Nature of change	Required to be implemented for periods beginning on or after
	<p>Applying that model, a lessee is required to recognise:</p> <p>(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value; and</p> <p>(b) depreciation of lease assets separately from interest on lease liabilities in the profit or loss.</p> <p>No significant changes have been included for lessors. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</p> <p>IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors.</p>	
4	<p>Amendments to IFRS 9 - Financial instruments (Prepayment features with negative compensation)</p> <p>The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment features meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.</p>	1 January 2019
a	<p>IFRS 17 Insurance Contracts Disclosures</p> <p>The standard specifies the treatment of transactions relating to insurance contracts</p>	1 January 2019
b	<p>Amendments to IAS 28 - Investment in Associates</p> <p>The IASB issued a narrow scope amendment to IAS 28 that clarifies that these long term interests in an Associate or Joint venture to which the equity method is not applied should be accounted for using IFRS 9. This includes the impairment requirements in IFRS 9.</p>	1 January 2019
c	<p>Amendment to IAS 1- Presentation of financial statement</p> <p>Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if</p>	1 January 2020

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

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. The depreciation method and estimated useful lives are being reviewed regularly.

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. 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. Subsequent expenditure is capitalised if it increases the future economic benefits of the related assets. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

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.

Maintenance costs or costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Derecognition

The carrying amount of disposed items of property, plant and equipment is derecognised. Any gain or loss on sale of an item of property, plant and equipment is recognised in profit or loss.

Depreciation

Depreciation is calculated on the cost of an asset, or other amount substituted for cost, less its residual value. Where the residual value is getting to nil, the asset is fair-valued and the value incorporated in the Company's records.

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. The useful lives of the items of PPE together with the depreciation methods are reviewed annually for propriety. Depreciation of an asset commences when the assets are ready to be used.

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

The useful lives of the respective class of assets are recognized using the following rates;

	%
Leasehold buildings	2
Plant and machinery	2.5
Furniture, fixtures and equipment	10
Motor vehicles	20

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.

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

The useful life of the intangible are assessed as either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company's intangible assets relate to software purchased and put into use within the year. The useful life of the assets is assessed to be three years and have been amortized accordingly using 33.33%

Intangible assets are derecognized when disposed or when there is no likelihood of getting economic value from the asset

4.5 Inventories

Inventory is measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion 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:

Raw and packaging materials and purchased finished goods	- purchase cost on weighted average cost basis including transportation.
Products-in-process	- weighted average cost of direct materials and labour
Finished goods (profiles)	- weighted average cost of direct materials and labour plus a proportion of manufacturing overhead
Diesel	- weighted average cost of direct materials

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

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 cashflows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cashflows 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.

4.11 Revenue

Revenue from contracts with customers IFRS 15

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

Identify the contract

Any agreement that creates enforceable rights and obligations is a contract. This covers revenue arising from contracts for:

- (a) Sale of the Company's products to retail customers, wholesalers or distributors;
- (b) Sale of products under contract manufacturing agreements;
- (c) Licences of the Company's intellectual property;
- (d) Divestments of PP&E and intangible assets. It does not cover revenue arising on sales of businesses or from collaboration agreements.

Identify the separate performance obligations in the contract

Performance obligations are the explicit or implicit promises made to the customer or licensee 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.

Determine the transaction price

The transaction price is the amount of consideration that the Company is entitled to for the transfer of goods or services. The price may include variable consideration where either

- Uncollected revenue is contingent on future events occurring, such as meeting a sales milestone;
- or

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

- The Company's ability to retain revenue already invoiced or collected is contingent on future events not occurring, such as retrospective rebates being awarded by the Company or products being returned by the customer.

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.

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 stand alone selling price of each.

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. In the case of sale of products or divestment of other assets, this is when control of the products or assets has been transferred to the customer or buyer. In the case of services, the obligation is satisfied over the period of provision of the services.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

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

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.

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.

ALUMINIUM EXTRUSION INDUSTRIES PLC

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

4.12 Taxation

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

Current Tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expenses that are deductible in other years for tax purposes, and it further excludes items that are never taxable or deductible.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to item charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4.13 Dividends

Final dividends are a liability in the year in which they are declared and approved by the Company in general meeting. Interim dividends are recognised when they are paid.

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 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.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

- 4.15 The prior year's under-provision resulted from additional assessment raised by Federal Inland Revenue Services in 2017 on 2013 and 2014 accounts and in 2018 on 2017 accounts. This had since been paid.

Other comprehensive income

- 4.16 **Actuarial gain/(loss)**
The company does not have end of service benefits in the form of gratuity, as such no actuarial valuation was carried out in the year.
- 14.17 **Revaluation gain/(loss)**
There was no revaluation of assets in the year, as such no revaluation gain or loss

Property, Plant and Equipment

5.1 Summary	June 2021	Dec 2020
The carrying amount of property, plant and equipment is stated as follows;	N'000	N'000
Land	503,840	503,840
Leasehold building	319,382	320,536
Extrusion plant and machinery	958,709	971,739
Furniture and equipment	11,151	11,475
Motor vehicles	2,509	5,653
	<u>1,795,591</u>	<u>1,813,243</u>

5 Analysis of Property, plant and equipment

	Land N'000	Leasehold building N'000	Extrusion Plant and machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
Deemed Cost						
At 1 January 2021	503,840	332,160	1,044,430	19,430	19,025	1,918,885
Addition	-	-	-	-	-	-
At 30 June 2021	<u>503,840</u>	<u>332,160</u>	<u>1,044,430</u>	<u>19,430</u>	<u>19,025</u>	<u>1,918,885</u>
Depreciation						
At 1 January 2021	-	11,624	72,691	7,955	13,372	105,642
At the period	-	1,154	13,050	324	3,144	17,652
At 30 June	-	<u>12,778</u>	<u>85,741</u>	<u>8,279</u>	<u>16,516</u>	<u>123,294</u>
Carrying Amount						
At 30 June 2021	<u>503,840</u>	<u>319,382</u>	<u>958,689</u>	<u>11,151</u>	<u>2,509</u>	<u>1,795,591</u>
At 31 December 2020	<u>503,840</u>	<u>320,536</u>	<u>971,739</u>	<u>11,475</u>	<u>5,653</u>	<u>1,813,243</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

5a Deemed Cost

The Company's property, plant and equipment were revalued on 27 March 2018 by Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/00000000254) on the basis of market value at the sum of N 1,677,350,000. The surplus of N91,592,332 arising therefrom was accounted for as part of other comprehensive income in the year of revaluation. The revaluation did not cover Motor vehicles and Furniture & equipment.. None of the Company's asset was revalued in the year

	June 2021 N'000	Dec 2020 N'000
5b Land		
This comprises of :		
Factory site at Inyishi	460,922	460,922
Plots 5, 6 and 7 Industrial Layout ,Ikot Abasi	193,000	193,000
	<u>653,922</u>	<u>653,922</u>

5c Security

The company has provided these assets as security to the tune of the overdrawn facility.

5.1 Intangible assets

Intangible asset represents the amount paid to acquire SAP accounting software. The software was put into use on 1 July 2015 and amortised over a period of three years. The software was fair-valued in year 2018 and the value incorporated in the financial statements and also amortised over three years.

	2021 N'000	2020 N'000
Cost		
At 1 January	1,500	1,500
Fair-valuation in the year	-	-
At 31 December	<u>1,500</u>	<u>1,500</u>
Amortization		
At 1 January	500	500
Amortization in the year	500	500
At 31 December	<u>1,000</u>	<u>1,000</u>
Carrying amount at 31 December	<u>500</u>	<u>500</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

	2021	2020
	N'000	N'000
7 Inventories		
Raw materials, chemicals and powders	280,146	267,555
Spares	110,966	75,333
Die	30,934	18,288
Finished goods	120,367	135,391
Fuel, Oil and lubricants	16,152	19,111
Good-in-transit	7,918	
	<u>566,483</u>	<u>515,678</u>
7a The company adopts "weighted average cost" method in valuing inventory		
7b There is no inventory pledged as security for liabilities during the year.		
	2021	2020
	N'000	N'000
8 Trade and other receivables		
Trade receivables	-	4,026
Advance to suppliers	-	8,254
Due from related companies (Note 33)	14,511	15,498
	<u>14,511</u>	<u>27,778</u>
9a Cash and cash equivalents		
Cash in hand	814	726
Cash at banks	160,188	198,307
Cash and bank balance	<u>161,002</u>	<u>199,033</u>
Short term borrowing	(55)	(55)
	<u>160,947</u>	<u>198,978</u>
16 Short term borrowings		
Convertible debenture	55	55
Bank overdrafts	-	-
Term loan	-	-
	<u>55</u>	<u>55</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

16.1 Convertible debenture

This represents 20% convertible debenture issues by the Company which has not yet been converted to ordinary shares.

	2021 N'000	2020 N'000
10 Other current assets		
Prepaid expenses	600	5,523
Staff advance	6,137	4,809
	<u>6,737</u>	<u>10,332</u>

10.1 This relates to guest house rent and insurance prepaid in the year

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

	June 2021 N'000	Dec 2020 N'000
11 Share Capital		
<i>Authorised:</i>		
300,000,000 ordinary shares of 50k each	<u>150,000</u>	<u>150,000</u>
<i>Issued, called up and fully paid:</i>		
219,956,000 ordinary shares of 50k each	<u>109,978</u>	<u>109,978</u>
Each ordinary share holds one voting right.		
12 Share premium	<u>124,956</u>	<u>124,956</u>
This represents the share premium arising from the shares issued by the Company		
	2021	2020
	N'000	N'000
13 Revaluation reserve		
At 1 January	973,255	973,255
Revaluation surplus	<u>-</u>	<u>-</u>
At 31 December	<u>973,255</u>	<u>973,255</u>
14 Retained earnings		
As at 1 January		
Prior year's dividend paid (note 26.1)	804,081	646,580
Profit for the year after taxation	68,332	-
Arising from leased motor vehicle (26.2)	-	149,376
Other comprehensive income	-	8,125
	<u>872,413</u>	<u>804,081</u>

14.1 There was no dividend paid in the year as the AGM for 2019 financial statements did not hold due to the matter in court.

14.2 This relates to the incorporation of leased vehicle (Hyundai Creta SUV) acquired in the year after the expiration of the finance lease. The obligation under lease was not recognized as a liability at the inception of the lease.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

	June 2021 N'000	Dec 2020 N'000
17 Trade and other payables		
Trade payables	25,842	23,705
Customers' Deposits	81,600	154,478
Accrued expenses	121,800	4,992
Provisions	-	140,533
Due to related companies (note 33)	16,406	2,430
	<u>245,688</u>	<u>326,138</u>

17.1 Trade payables

This relates to the unpaid balance to the suppliers at year end

17.2 Customers' Deposits

This relates to the amount deposited by the customers for the production and supply of Aluminium profiles.

17.3 Accrued expenses

These are expenses in which the related services have been received by the Company but not yet paid for at year end.

	2021 N'000	2020 N'000
18 Current tax liabilities		
Income tax payable	26,143	36,143
Withholding tax payable	10,786	11,216
	<u>36,929</u>	<u>47,359</u>

18.1 Income tax payable

At 1 January	36,143	28,552
Charge for the year	15,090	36,143
Payment during the year	(25,000)	(28,552)
At 31 December	<u>26,143</u>	<u>36,143</u>

18.2 Withholding tax payable

This relates to withholding tax deducted from the suppliers but not yet remitted to the Revenue Authorities.

	2021 N'000	2020 N'000
19 Other current tax liabilities		
Value added tax	4,744	978
Pay As You Earn tax	-	-
	<u>4,744</u>	<u>978</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 JUNE 2021

	2021 N'000	2020 N'000
20 Dividends		
Unclaimed dividend	13,566	13,566
Interest on fixed deposit	-	-
	<u>13,566</u>	<u>13,566</u>
21 Other current liabilities		
Trust funds	-	2,358
Deposit for dies	-	600
Insurance claim	-	35
Others	-	17
	<u>-</u>	<u>3,010</u>
22 Reconciliation of Profit for the year to net cash provided by operating activities		
Profit for the year	68,522	2,992
Adjustments not involving movement of cash		
Depreciation of property, plant and equipment	17,652	17,652
Amortisation of intangible assets	18,570	-
Finance cost	-	21,174
Finance lease adjument	-	-
	<u>104,544</u>	<u>41,818</u>
Changes in assets and liabilities		
Decrease in inventories	(50,805)	96,676
Decrease/(Increase) in trade and other receivables	13,267	71,613
Increase in other current assets	(3,595)	6,657
Increase/(decrease) in trade and other payables	(50,800)	22,742
Increase in current tax liabilities	10,430	1,775
Increase/(decrease) in other current tax liabilities	3,766	7,039
Increase/(decrease) in other current liabilities	-	-
Net cash provided by operating activities	<u>26,747</u>	<u>248,320</u>

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Aluminum Extrusion Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's securities. The Policy is periodically reviewed by the Board and updated. 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 under review.