

**ALUMINIUM EXTRUSION INDUSTRIES PLC**

**FINANCIAL STATEMENTS  
30 SEPTEMBER 2021**

# ALUMINIUM EXTRUSION INDUSTRIES PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 30 SEPTEMBER 2021

|   | Notes | Sept<br>2021<br>N'000 | July-Sept<br>2021<br>N'000 | Sept<br>2020<br>N'000 | July-Sept<br>2020<br>N'000 |
|---|-------|-----------------------|----------------------------|-----------------------|----------------------------|
| Revenue                                 | 1.0   | 2,020,191             | 655,990                    | 1,759,100             | 229,758                    |
| Cost of sales                           | 2.0   | <u>(1,768,284)</u>    | <u>(603,870)</u>           | <u>(1,489,668)</u>    | <u>(155,478)</u>           |
| Gross profit                            |       | 251,907               | 52,120                     | 269,432               | 74,280                     |
| Other income                            | 2.1   | <u>7,250</u>          | <u>1,809</u>               | <u>114</u>            | <u>-</u>                   |
| Staff costs                             |       | 259,157               | 53,929                     | 269,546               | 74,280                     |
| Depreciation and amortization           | 5.0   | (26,478)              | (8,826)                    | (26,478)              | (6,822)                    |
| Selling expenses                        |       | (13,313)              | (5,182)                    | (16,607)              | (2,537)                    |
| Administrative expenses                 |       | (112,272)             | (34,729)                   | (110,043)             | (4,637)                    |
| Finance cost                            |       | <u>(27,796)</u>       | <u>(9,226)</u>             | <u>(30,970)</u>       | <u>(26,705)</u>            |
| Administrative and finance cost         |       | <u>(179,859)</u>      | <u>(57,963)</u>            | <u>(184,098)</u>      | <u>(40,701)</u>            |
| Result for the year                     |       | 79,298                | (4,034)                    | 85,448                | 33,579                     |
| Taxation write-back/(expense)           |       | <u>(22,500)</u>       | <u>(7,500)</u>             | <u>(22,500)</u>       | <u>7,877</u>               |
| Profit for the year                     |       | <u>56,798</u>         | <u>(11,534)</u>            | <u>62,948</u>         | <u>41,456</u>              |
| <b>Other Comprehensive income</b>       |       |                       |                            |                       |                            |
| Transferrable to retained earnings;     |       |                       |                            |                       |                            |
| - Actuarial gain/(loss)                 |       | -                     | -                          | -                     | -                          |
| Not transferrable to retained earnings; |       |                       |                            |                       |                            |
| - Revaluation gain/(loss)               |       | -                     | -                          | -                     | -                          |
| <b>Total Comprehensive income</b>       |       | <u>56,798</u>         | <u>-11,534</u>             | <u>62,948</u>         | <u>41,456</u>              |
| Earnings per share (kobo)               |       | <u>26</u>             | <u>-</u>                   | <u>29</u>             | <u>19</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 SEPTEMBER 2021

|                                      |       | Sept 2021        | 2020             |
|--------------------------------------|-------|------------------|------------------|
|                                      | Notes | N'000            | N'000            |
| <b>ASSETS</b>                        |       |                  |                  |
| <b>Non-current assets</b>            |       |                  |                  |
| Property, plant and equipment        | 5     | 1,786,763        | 1,813,243        |
| Intangible assets                    | 5.1   | 500              | 500              |
|                                      |       | <u>1,787,263</u> | <u>1,813,743</u> |
| <b>Current assets</b>                |       |                  |                  |
| Inventories                          | 7     | 615,446          | 515,678          |
| Trade and other receivables          | 8     | 15,325           | 27,778           |
| Cash and cash equivalents            | 9     | 118,595          | 199,033          |
| Other current assets                 | 10    | 9,412            | 10,332           |
|                                      |       | <u>758,778</u>   | <u>752,821</u>   |
| <b>Total Current Assets</b>          |       | <u>2,546,041</u> | <u>2,566,564</u> |
| <b>EQUITY AND LIABILITIES</b>        |       |                  |                  |
| <b>Equity</b>                        |       |                  |                  |
| Share capital                        | 11    | 109,978          | 109,978          |
| Share premium                        | 12    | 124,956          | 124,956          |
| Revaluation reserve                  | 13    | 973,255          | 973,255          |
| Retained earnings                    | 14    | 860,879          | 804,081          |
|                                      |       | <u>2,069,068</u> | <u>2,012,270</u> |
| <b>Non-current liabilities</b>       |       |                  |                  |
| Deferred taxation                    | 15    | 163,187          | 163,187          |
| Borrowings                           |       | -                | -                |
|                                      |       | <u>163,187</u>   | <u>163,187</u>   |
| <b>Total Non-current liabilities</b> |       |                  |                  |
| <b>Current liabilities</b>           |       |                  |                  |
| Short term borrowings                | 16    | 55               | 55               |
| Trade and other payables             | 17    | 251,259          | 326,138          |
| Current tax liabilities              | 18    | 45,173           | 47,359           |
| Other current tax liabilities        | 19    | 3,733            | 978              |
| Dividends                            | 20    | 13,566           | 13,566           |
| Other current liabilities            | 21    | -                | 3,010            |
|                                      |       | <u>313,786</u>   | <u>391,106</u>   |
| <b>Total current liabilities</b>     |       |                  |                  |
| <b>Total liabilities</b>             |       | <u>476,973</u>   | <u>554,293</u>   |
| <b>Total equity and liabilities</b>  |       | <u>2,546,041</u> | <u>2,566,563</u> |

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



Mr. Levi E. Amaihe  
Financial Controller  
FRC/2021/001/0000022804



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



Dr. Pascal G. Dozie  
Chairman  
FRC/2013/CI/BN/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 SEPTEMBER 2021

|   | Share<br>capital<br>N'000 | Share<br>premium<br>N'000 | Revaluation<br>reserve<br>N'000 | Retained<br>earnings<br>N'000 | Total<br>N'000   |
|---|---------------------------|---------------------------|---------------------------------|-------------------------------|------------------|
| At 1 January                                  | 109,978                   | 124,956                   | 973,255                         | 804,081                       | 2,012,270        |
| Net profit for the year                       | -                         | -                         | -                               | 56,798                        | 56,798           |
| Incorporation of asset after lease expiration | -                         | -                         | -                               | -                             | -                |
| Other comprehensive income                    | -                         | -                         | -                               | -                             | -                |
| <b>At 30 September</b>                        | <b>109,978</b>            | <b>124,956</b>            | <b>973,255</b>                  | <b>860,879</b>                | <b>2,069,068</b> |

### YEAR ENDED 30 SEPT. 2020

|                               | Share<br>capital<br>N'000 | Share<br>Premium<br>N'000 | Revaluation<br>reserve<br>N'000 | Retained<br>earnings<br>N'000 | Total<br>N'000   |
|-------------------------------|---------------------------|---------------------------|---------------------------------|-------------------------------|------------------|
| At 1 January                  | 109,978                   | 124,956                   | 973,255                         | 646,580                       | 1,854,769        |
| Net profit for the year       | -                         | -                         | -                               | 62,948                        | 62,948           |
| Dividend paid during the year | -                         | -                         | -                               | -                             | -                |
| Other comprehensive income    | -                         | -                         | -                               | -                             | -                |
| <b>At 30 September</b>        | <b>109,978</b>            | <b>124,956</b>            | <b>973,255</b>                  | <b>709,528</b>                | <b>1,917,717</b> |



# ALUMINIUM EXTRUSION INDUSTRIES PLC

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

|  | Note | 30 Sept<br>2021<br>N'000 | 30 Sept<br>2020<br>N'000 |
|--|------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>    |      |                          |                          |
| Cash receipt from customers                    |      | 1,952,620                | 2,194,501                |
| Payment to suppliers and employees             |      | (1,874,978)              | (1,695,802)              |
| Income tax paid                                |      | (25,000)                 | -                        |
| Net cash flow provided by operating activities |      | 52,642                   | 498,699                  |
| <b>Cash flows from investing activities</b>    |      |                          |                          |
| Payment for property, plant and equipment      |      | -                        | -                        |
| Net cash flow used in investing activities     |      | -                        | -                        |
| <b>Cash flows from financing activities</b>    |      |                          |                          |
| Finance cost                                   |      | (27,796)                 | 30,970                   |
| Borrowings                                     |      | -                        | -                        |
| Dividend paid                                  |      | -                        | -                        |
| Net cash flow used in financing activities     |      | (27,796)                 | 30,970                   |
| Net increase in cash and cash equivalents      |      | (80,438)                 | 467,729                  |
| Cash and cash equivalents at 1 January         |      | 199,033                  | (74,374)                 |
| Cash and cash equivalents at 31 December       |      | <u>118,595</u>           | <u>393,355</u>           |

**ALUMINIUM EXTRUSION INDUSTRIES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 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.

|                                    | <b>Sept 2021</b> | <b>Sept 2020</b> |
|------------------------------------|------------------|------------------|
|                                    | <b>N'000</b>     | <b>N'000</b>     |
| <b>2 Cost of sales</b>             |                  |                  |
| Cost of raw materials consumed     | 1,389,988        | 1,162,570        |
| Chemicals consumed                 | 95,357           | 88,062           |
| Electricity, diesel and lubricants | 171,670          | 156,064          |
| Salaries and wages                 | 46,044           | 41,858           |
| Factory repairs and maintenance    | 65,225           | 41,114           |
|                                    | <b>1,768,284</b> | <b>1,489,668</b> |
| <br><b>2.1 Other Income</b>        |                  |                  |
| Sale of metal scraps               | 7,250            | 114              |

# ALUMINIUM EXTRUSION INDUSTRIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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. | 67.55         |
| Imo State Government               | 8.27          |
| Abia State Government              | 6.14          |
| Ebonyi State Government            | 1.50          |
| Directors Direct Shareholding      | 0.02          |
| Nigerian Citizens and Associations | 16.52         |
|                                    | <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 SEPTEMBER 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<br>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<br>Revenue<br>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.<br>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<br>Leases<br>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 SEPTEMBER 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> |  |
| <p>4 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   |
| <p>a IFRS 17 Insurance Contracts Disclosures</p>   | <p>The standard specifies the treatment of transactions relating to insurance contracts</p>   | 1 January 2019   |
| <p>b 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   |
| <p>c 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   |

# ALUMINIUM EXTRUSION INDUSTRIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 in ready to be used.



# ALUMINIUM EXTRUSION INDUSTRIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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  |



# ALUMINIUM EXTRUSION INDUSTRIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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.

#### 4.17 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

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

|                               | Sept 2021<br>N'000 | 2020<br>N'000    |
|-------------------------------|--------------------|------------------|
| Land                          | 503,840            | 503,840          |
| Leasehold building            | 318,805            | 320,536          |
| Extrusion plant and machinery | 952,164            | 971,739          |
| Furniture and equipment       | 10,989             | 11,475           |
| Motor vehicles                | 965                | 5,653            |
|                               | <u>1,786,763</u>   | <u>1,813,243</u> |

#### 5 Analysis of Property, plant and equipment

|                        | Land<br>N'000  | Leasehold<br>building<br>N'000 | Extrusion<br>Plant and<br>machinery<br>N'000 | Furniture<br>and<br>equipment<br>N'000 | Motor<br>vehicles<br>N'000 | Total<br>N'000   |
|------------------------|----------------|--------------------------------|--|--|----------------------------|------------------|
| <b>Deemed Cost</b>     |                |                                |  |  |                            |                  |
| At 1 January 2021      | 503,840        | 332,160                        | 1,044,430                                    | 19,430                                 | 19,025                     | 1,918,885        |
| Addition               | -              | -                              | -  | -                                      | -                          | -                |
| At 30 Sept 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> |
| <b>Depreciation</b>    |                |                                |  |  |                            |                  |
| At 1 January 2021      | -              | 11,624                         | 72,691                                       | 7,955                                  | 13,372                     | 105,642          |
| At the period          | -              | 1,731                          | 19,575                                       | 486                                    | 4,688                      | 26,480           |
| At 30 Sept             | -              | <u>13,355</u>                  | <u>92,266</u>                                | <u>8,441</u>                           | <u>18,060</u>              | <u>132,122</u>   |
| <b>Carrying Amount</b> |                |                                |  |  |                            |                  |
| At 30 Sept 2021        | <u>503,840</u> | <u>318,805</u>                 | <u>952,164</u>                               | <u>10,989</u>                          | <u>965</u>                 | <u>1,786,763</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> |

# ALUMINIUM EXTRUSION INDUSTRIES PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE PERIOD ENDED 30 SEPTEMBER 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

|  | Sept<br>2021<br>N'000 | Sept<br>2020<br>N'000 |
|--|-----------------------|-----------------------|
| <b>5b Land</b>                                 |                       |                       |
| 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<br>N'000 | 2020<br>N'000 |
|---------------------------------------|---------------|---------------|
| <b>Cost</b>                           |               |               |
| At 1 January                          | 1,500         | 1,500         |
| Fair-valuation in the year            | -             | -             |
| <b>At 31 December</b>                 | <u>1,500</u>  | <u>1,500</u>  |
| <b>Amortization</b>                   |               |               |
| At 1 January                          | 500           | 500           |
| Amortization in the year              | 500           | 500           |
| <b>At 31 December</b>                 | <u>1,000</u>  | <u>1,000</u>  |
| <b>Carrying amount at 31 December</b> | <u>500</u>    | <u>500</u>    |

# ALUMINIUM EXTRUSION INDUSTRIES PLC

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

|   | Sept 2021      | 2020           |
|---|----------------|----------------|
|   | N'000          | N'000          |
| <b>7 Inventories</b>  |                |                |
| Raw materials, chemicals and powders  | 326,271        | 267,555        |
| Spares  | 77,000         | 75,333         |
| Die   | 15,264         | 18,288         |
| Finished goods  | 175,839        | 135,391        |
| Fuel, Oil and lubricants  | 21,072         | 19,111         |
| Good-in-transit   | -              | -              |
|   | <u>615,446</u> | <u>515,678</u> |
| <br>  |                |                |
| 7a The company adopts "weighted average cost" method in valuing inventory     |                |                |
| 7b There is no inventory pledged as security for liabilities during the year. |                |                |
| <br>  |                |                |
|   | Sept 2021      | 2020           |
|   | N'000          | N'000          |
| <b>8 Trade and other receivables</b>  |                |                |
| Trade receivables   | -              | 4,026          |
| Advance to suppliers  | 814            | 8,254          |
| Due from related companies (Note 33)  | 14,511         | 15,498         |
|   | <u>15,325</u>  | <u>27,778</u>  |
| <br>  |                |                |
| <b>9a Cash and cash equivalents</b>   |                |                |
| Cash in hand  | 625            | 726            |
| Cash at banks   | 118,025        | 198,307        |
| <b>Cash and bank balance</b>  | <u>118,650</u> | <u>199,033</u> |
| Short term borrowing  | (55)           | (55)           |
|   | <u>118,595</u> | <u>198,978</u> |
| <br>  |                |                |
| <b>16 Short term borrowings</b>   |                |                |
| 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 SEPTEMBER 2021

### 16.1 Convertible debenture

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

|                                | Sept 2021<br>N'000 | 2020<br>N'000 |
|--------------------------------|--------------------|---------------|
| <b>10 Other current assets</b> |                    |               |
| Prepaid expenses               | 2,928              | 5,523         |
| Staff advance                  | 6,484              | 4,809         |
|                                | <u>9,412</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 SEPTEMBER 2021

|   | Sept<br>2021<br>N'000 | 2020<br>N'000  |
|---|-----------------------|----------------|
| <b>11 Share Capital</b>   |                       |                |
| <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.                                     |                       |                |
| <b>12 Share premium</b>   | <u>124,956</u>        | <u>124,956</u> |
| This represents the share premium arising from the shares issued by the Company |                       |                |
|   | 2021<br>N'000         | 2020<br>N'000  |
| <b>13 Revaluation reserve</b>   |                       |                |
| At 1 January  | 973,255               | 973,255        |
| Revaluation surplus   | <u>-</u>              | <u>-</u>       |
| At 31 December  | <u>973,255</u>        | <u>973,255</u> |
| <b>14 Retained earnings</b>   |                       |                |
| As at 1 January   |                       |                |
| Prior year's dividend paid (note 26.1)  | 804,081               | 646,580        |
| Profit for the year after taxation  | 56,798                | -              |
| Arising from leased motor vehicle (26.2)  | -                     | 149,376        |
| Other comprehensive income  | <u>-</u>              | <u>8,125</u>   |
|   | <u>860,879</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 SEPTEMBER 2021

|                                    | Sept<br>2021   | 2020           |
|------------------------------------|----------------|----------------|
|                                    | N'000          | N'000          |
| <b>17 Trade and other payables</b> |                |                |
| Trade payables                     | 36,852         | 23,705         |
| Customers' Deposits                | 126,382        | 154,478        |
| Accrued expenses                   | 84,171         | 4,992          |
| Provisions                         | -              | 140,533        |
| Due to related companies (note 33) | 3,854          | 2,430          |
|                                    | <u>251,259</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.

|  | Sept<br>2021  | 2020          |
|--|---------------|---------------|
|  | N'000         | N'000         |
| <b>18 Current tax liabilities</b>  |               |               |
| Income tax payable   | 33,643        | 36,143        |
| Withholding tax payable  | 11,530        | 11,216        |
|  | <u>45,173</u> | <u>47,359</u> |
| <b>18.1 Income tax payable</b>   |               |               |
| At 1 January   | 36,143        | 28,552        |
| Charge for the year  | 22,500        | 36,143        |
| Payment during the year  | (25,000)      | (28,552)      |
| At 31 December   | <u>33,643</u> | <u>36,143</u> |
| <b>18.2 Withholding tax payable</b>  | <u>11,530</u> | <u>11,216</u> |
| This relates to withholding tax deducted from the suppliers but not yet remitted to the Revenue Authorities. |               |               |
| <b>19 Other current tax liabilities</b>  | 2021          | 2020          |
|  | N'000         | N'000         |
| Value added tax  | 3,733         | 978           |
| Pay As You Earn tax  | -             | -             |
|  | <u>3,733</u>  | <u>978</u>    |



# ALUMINIUM EXTRUSION INDUSTRIES PLC

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

|  | Sept 2021       | 2020           |
|--|-----------------|----------------|
|  | N'000           | N'000          |
| <b>20 Dividends</b>  |                 |                |
| Unclaimed dividend   | 13,566          | 13,566         |
| Interest on fixed deposit  | -               | -              |
|  | <u>13,566</u>   | <u>13,566</u>  |
| <b>21 Other current liabilities</b>  |                 |                |
| Trust funds  | -               | 2,358          |
| Deposit for dies   | -               | 600            |
| Insurance claim  | -               | 35             |
| Others   | -               | 17             |
|  | <u>-</u>        | <u>3,010</u>   |
| <b>22 Reconciliation of Profit for the year to net cash provided by operating activities</b> |                 |                |
| Profit for the year  | 56,798          | 2,992          |
| <b>Adjustments not involving movement of cash</b>  |                 |                |
| Depreciation of property, plant and equipment  | 26,478          | 17,652         |
| Amortisation of intangible assets  | -               | -              |
| Finance cost   | 27,796          | 21,174         |
| Finance lease adjument   | -               | -              |
|  | <u>111,072</u>  | <u>41,818</u>  |
| <b>Changes in assets and liabilities</b>   |                 |                |
| Decrease in inventories  | (99,768)        | 96,676         |
| Decrease/(Increase) in trade and other receivables   | 12,453          | 71,613         |
| Increase in other current assets   | 920             | 6,657          |
| Increase/(decrease) in trade and other payables  | (66,358)        | 22,742         |
| Increase in current tax liabilities  | (13,716)        | 1,775          |
| Increase/(decrease) in other current tax liabilities   | 2,755           | 7,039          |
| Increase/(decrease) in other current liabilities   | -               | -              |
| Net cash provided by operating activities  | <u>(52,642)</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.