

ALUMINIUM EXTRUSION INDUSTRIES PLC

**FINANCIAL STATEMENTS
31 DECEMBER 2021**

ALUMINIUM EXTRUSION INDUSTRIES PLC

FOR THE YEAR ENDED 31 DECEMBER 2021

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ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of Aluminium Extrusion Industries Plc. are responsible for the financial statements that present fairly the financial position of the Company as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year ended in compliance with International Financial Reporting Standards ("IFRS")

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies.
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, conditions on Company's financial position and financial performance and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for,

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company
- maintaining adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the company and also ensure that the Financial Statements of the company comply with International Financial Reporting Standards (IFRS)
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS.
- taking such steps as are reasonably available to them to safeguard the assets of the Company, and preventing and detecting fraud and other irregularities.

The Financial statements of the company for the year ended 31 December 2021 were approved on 18 March, 2022.



Levi E. Amaihe
Finance Controller
FRC/2021/001/00000022804



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



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

ALUMINIUM EXTRUSION INDUSTRIES PLC
FOR THE YEAR ENDED 31 DECEMBER 2021
DIRECTORS AND OTHER CORPORATE INFORMATION

DIRECTORS

Dr. Pascal G. Dozie, CON	Chairman
Mr. Veeraraghavan Ganesh	Managing Director
Chief (Barr.) Peter C. Mgbenwelu	Non- Executive Director
Dr. John Nwaiwu, FPSN	Non-Executive Director

Company Secretaries

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju, Lagos

External Auditors

Madu, Onyekwena & Co
(Chartered Accountants)
11 Birabi street, GRA Phase 1
Port Harcourt, Rivers State

Registrars

GTL Registrars Limited
274, Murtala Mohammed Way
Alogomeji, Yaba, Lagos

Principal Bankers

Union Bank of Nigeria Plc.
Access Bank Plc.
Guaranty Trust Bank Plc.
Fidelity Bank Plc.
Stanbic IBTC Bank Plc
Chikum Micofinance Bank Limited

Audit Committee

Mr. Ndubuisi. F. Adioha
Mr Michael E. Amadi
Chief (Barr.) P.C. Mgbenwelu
Dr. John Nwaiwu, FPSN

Registered Office

Km 4, Atta-Amaimo Road
Inyishi
PMB 1581, Owerri
Imo State



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Aluminium Extrusion Industries Plc

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of Aluminium Extrusion Industries Plc as at 31 December 2021 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year and summary of significant accounting policies and other explanatory information as set out on pages 6 to 53.

In our opinion, the financial statements give a true and fair view of the financial position of Aluminium Extrusion Industries Plc, and its financial performance and cash flows for the year ended 31 December 2021 in accordance with the Companies and Allied Matters Act, CAP C20, LFN2004, the Financial Reporting Council of Nigeria Act 2011 and the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors Responsibilities for the Audit of the Financial Statements" section of our audit report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants, which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B) together with other Ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Rising Costs of Production

A major raw material input for production is Aluminium Scrap delivered to the Company's premises. The scarcity of this material, a situation worsened by recent competition, engaged our attention in course of the audit. The prices of scrap aluminium is currently more than double of what it was in prior year.

Our procedures focused on the following:

- Inquired into the Company's efforts to obtain adequate and stable source of materials at reasonable price.
- Ascertained from Board deliberations that these efforts are on sustained basis.

Our findings did not reveal anything adverse.



Other information

The Directors are responsible for the other information. The other information comprises the Directors' report and Audit Committee's report as required by Companies and Allied Matters Act CAP C20 LFN 2004, which we obtained prior to the date of this Auditor's report and the integrated report, which is expected to be made available to us after that date. The other information does not include the financial statements and our Auditor's report thereon.

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

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

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

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material mis-statement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In accordance with the sixth schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we expressly state that:

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


Chinedu Onyekwena
FRC/2013/CAN/0000004886
For: **Madu, Onyekwena & Co.**
Chartered Accountants
Port Harcourt, Nigeria
18 March, 2022



ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 N'000	2020 N'000
Revenue	6	2,635,243	2,328,485
Cost of sales	7	<u>(2,390,925)</u>	<u>(2,060,939)</u>
Gross profit		244,318	267,546
Other income	8	<u>17,291</u>	<u>3,909</u>
		261,609	271,455
Staff costs	9	(65,202)	(63,638)
Depreciation and amortization	10	(6,575)	(7,436)
Administrative expenses	11	(73,284)	(71,414)
Selling expenses	12	(17,071)	(21,201)
Finance cost	13	-	(3,887)
Administrative and finance cost		(162,132)	(167,576)
Result for the year	14	99,477	103,879
Taxation (expenses)/write-back	15	<u>(32,536)</u>	<u>45,497</u>
Profit for the year		<u>66,941</u>	<u>149,376</u>
Other Comprehensive income			
Transferrable to retained earnings;			
- Actuarial gain/(loss)	16	-	-
- Fair-valuation of intangibles	16	1,500	-
Not transferrable to retained earnings;			
- Revaluation gain	16	317,861	-
Other comprehensive income total		<u>319,361</u>	<u>-</u>
Total Comprehensive income		<u>386,302</u>	<u>149,376</u>
Earnings per share - basic (kobo)	36	<u>31</u>	<u>68</u>

The notes and statements on pages 10 to 51 and statements on pages 52 and 53 form part of

ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

ASSETS	Notes	2021 N'000	2020 N'000
Non-current assets			
Property, plant and equipment	17	2,104,836	1,813,243
Intangible assets	18	1,500	500
		<u>2,106,336</u>	<u>1,813,743</u>
Current assets			
Inventories	19	649,165	515,678
Trade and other receivables	20	22,106	27,778
Cash and cash equivalents	21	34,844	199,033
Other current assets	22	11,721	10,332
Total Current Assets		<u>717,836</u>	<u>752,821</u>
		<u>2,824,172</u>	<u>2,566,564</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	23	109,978	109,978
Share premium	24	124,956	124,956
Revaluation reserve	25	1,291,116	973,255
Retained earnings	26	872,522	804,081
		<u>2,398,572</u>	<u>2,012,270</u>
Non-current liabilities			
Deferred taxation	27	162,331	163,187
Borrowings	21	-	-
Total Non-current liabilities		<u>162,331</u>	<u>163,187</u>
Current liabilities			
Short term borrowings	21	55	55
Trade and other payables	28	197,086	326,138
Current tax liabilities	29	45,777	47,359
Other current tax liabilities	30	4,863	978
Dividends	31	12,105	13,566
Other current liabilities	32	3,382	3,010
Total current liabilities		<u>263,268</u>	<u>391,106</u>
Total liabilities		<u>425,599</u>	<u>554,293</u>
Total equity and liabilities		<u>2,824,172</u>	<u>2,566,564</u>

The financial statements were approved by the Board of Directors on 18 March, 2022 and signed on its behalf by:

Mr. Levi E. Amahie (Finance 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 10 to 51 and statements on pages 52 and 53 form part of these financial statements.

ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 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	804,081	2,012,270
Profit for the year	-	-	-	66,941	66,941
Other comprehensive income	-	-	317,861	1,500	319,361
At 31 December	109,978	124,956	973,255	872,522	2,398,572

YEAR ENDED 31 DECEMBER 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
Profit for the year	-	-	-	149,376	149,376
Incorporation of asset after lease expiration	-	-	-	8,125	8,125
Other comprehensive income	-	-	-	-	-
At 31 December	109,978	124,956	973,255	804,081	2,012,270

ALUMINIUM EXTRUSION INDUSTRIES PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 N'000	2020 N'000
Cash flows from operating activities			
Cash receipt from customers		2,640,915	2,511,354
Payment to suppliers and employees		(2,758,464)	(2,194,186)
Income tax paid	29	(36,143)	(28,552)
Net cash flow (used in)/provided by operating activities	33	(153,692)	288,616
Cash flows from investing activities			
Payment for property, plant and equipment	17	(9,036)	(8,125)
Net cash flow used in investing activities		(9,036)	(8,125)
Cash flows from financing activities			
Finance cost	13	-	(3,887)
Borrowings	21	-	(5,829)
Unclaimed Dividend adjustment	26	(1,461)	2,577
Net cash flow used in financing activities		(1,461)	(7,139)
Net increase in cash and cash equivalents		(164,189)	273,352
Cash and cash equivalents at 1 January		198,978	(74,374)
Cash and cash equivalents at 31 December	21	34,789	198,978

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 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>

2. Basis of Accounting

2.1 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 together with 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 18 March 2022.

2.2 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 are carried at revalued amount.
- Inventory measured at at the lower of cost and net realisable value
- Defined benefit asset is recognized as the net total of the plan assets plus unrecognised past service cost and unrecognised actuarial loss, less unrecognised actuarial gains and the present value of the

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.3 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. Adoption of new and revised IFRS standards

3.1 Standards and interpretations issued and effective during the year

In the current year, the Company has applied a number of amendments to IFRS standards and interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amount reported in these financial statements. Those applicable to the Company include:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

3.2 Standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company had not adopted the new or amended standards in preparing these financial statements. These include the following standards and interpretations that are applicable to the business of the Company but are not expected to have a significant impact on the financial statements.

a. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments are recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at 31 December 2021 will be completed before the amendments become effective.

b. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- hedge accounting

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

i. Change in basis for determining cash flows

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. At 31 December 2021, the Company does not have any LIBOR secured bank loans that will be subject to IBOR reform.

ii. Hedge accounting

The amendments provide exceptions to the hedge accounting requirements in the following areas.

- Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform.

- When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

- When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to subgroups based on the benchmark rates being hedged.

- If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractual rate.

At 31 December 2021, the Company does not have cash flow hedges of sterling LIBOR risk.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Summary of significant accounting policies

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

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4.1 Foreign currency translation

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4.2 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair Value Through Profit or Loss (FVPL), transaction costs are added to or subtracted from this amount. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 - Revenue from contracts with customers.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

a **Financial assets**

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

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

Classification of financial assets

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

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

Amortised cost and effective interest method

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

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

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

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

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Foreign exchange gains and losses

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

Impairment of financial assets

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

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

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

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

(i) Significant increase in credit risk

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

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

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

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

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

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

(ii) Definition of default

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

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

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

(iii) Credit-impaired financial assets

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

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

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(iv) Write off policy

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

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

(v) Measurement and recognition of expected credit losses

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

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

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

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

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

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

Derecognition of financial assets

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

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

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b) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities measured subsequently at amortised cost.

Financial liabilities that are not:

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

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

Loans and borrowings

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

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

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

Foreign exchange gains and losses

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

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

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Derecognition of financial liabilities

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

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

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

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

Offsetting of financial instruments

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

c) Share capital

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

4.3 Property, Plant and Equipment

Recognition and measurement

Land held for use are stated in the statement of financial position at their revalued amount.

Buildings are stated in the statement of financial position at their revalued amount less accumulated depreciation and any impairment losses.

Plant and equipment including borrowing costs, are stated at revaluation/cost less accumulated depreciation and any impairment losses.

Addition to Property, plant and equipment are recognized at cost when purchased.. Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

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

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

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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.

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.

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.

PPE held for sale

There is no PPE held for sale in the year under review.

Derecognition

An item of PPE is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. 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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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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Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of conversion and selling expenses.

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

4.6 Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets other than inventories to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amounts are estimated each year.

Where the asset does not generate independent cash flows from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

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

4.7 Employee benefits

a Defined contribution plans

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

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

b Termination benefits

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

Termination benefits payable on retirement from employment are now paid at the end of each year to the employee concerned whether or not the employee has retired in accordance with agreement with the Employee/Employer Union.

c Short-term employee benefits

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

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

4.8 Provisions

Provisions are recognised when the company has present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.9 Contingent liabilities

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

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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

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- 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.

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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 utilized.

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.

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4.15 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company components. All operating segments are reviewed over time by the Company's Board of Directors(BOD) to make decisions and assess its performance

Basis of segmentation

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

4.16 Related Parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties.

Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.17 Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are recognised in the Company's statement of financial position as part of Property, plant and equipment.

Lease payments

The lease payments made are recognised in profit or loss on a straight-line basis over the term of the lease.

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CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

5. Significant accounting judgements, estimates and assumptions

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

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

5.1 Critical accounting judgements

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

5.2 Key sources of estimation uncertainty

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

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

b Impairment testing

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available unobservable inputs that are developed based upon the best information available under the circumstances, which might include the Company's own data less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model.

c Provision for expected credit losses (ECL) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are reviewed

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

6. Revenue	2021	2020
	N'000	N'000
Sale of Aluminium profiles, billets and roofing sheet	<u>2,635,243</u>	<u>2,328,485</u>

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

Sales were made to third parties.

6.1 Segment revenue and results

The Company has two major business segments: Extruded Aluminium Profiles at Owerri and Suleja and Aluminium Roofing sheets at Owerri.

Revenue and cost represent operating revenues and expenses respectively that are directly attributable to each business segment. The Company's business segments are presented by line of business that are subject to similar risks and returns. All Company's revenue is derived from Nigeria.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The understated is the segment revenue and results in the year.

	Extrusion	Roofing	2021	2020
	N'000	N'000	Total	Total
			N'000	N'000
Revenue	2,543,068	92,175	2,635,243	2,328,485
Cost of sales	(2,312,553)	(78,372)	(2,390,925)	(2,060,939)
Gross profit	<u>230,515</u>	<u>13,803</u>	<u>244,318</u>	<u>267,546</u>

6.2 Segment assets and liabilities

	Total segment assets		Total segment liabilities	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Extrusion	2,809,629	2,540,432	212,495	380,444
Roofing	14,543	26,132	47,381	10,662
	<u>2,824,172</u>	<u>2,566,564</u>	<u>259,876</u>	<u>391,106</u>
Unallocated deferred tax	-	-	163,187	163,187
Unallocated borrowing	-	-	-	-
	<u>2,824,172</u>	<u>2,566,564</u>	<u>423,063</u>	<u>554,293</u>

6.3 Geographical information

	Revenue by	Revenue by
	location of	location of
	the customers	the customers
	N'000	N'000
East	2,116,367	1,805,220
West	-	22,812
North	518,876	500,453
	<u>2,635,243</u>	<u>2,328,485</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED 31 DECEMBER 2021

	2021 N'000	2020 N'000
7. Cost of sales		
Cost of raw materials consumed	1,663,092	1,376,438
Chemicals consumed	134,071	108,037
Electricity, diesel and lubricants	263,383	212,416
Salaries and wages	186,674	174,511
Factory repairs and maintenance	44,438	92,524
Engineering spares	36,869	33,829
Rent, rates and taxes	32,400	32,400
Depreciation	30,025	31,193
Movement in finished goods and work-in-progress	(27)	(409)
	<u>2,390,925</u>	<u>2,060,939</u>
8. Other Income		
Sale of metal scraps	<u>17,291</u>	<u>3,909</u>
9. Staff cost		
Salaries, wages and allowances	36,053	35,969
Staff welfare	11,157	10,313
Staff pension and trust fund	9,424	9,722
Staff training	270	4
Staff gratuity	8,298	7,630
	<u>65,202</u>	<u>63,638</u>
10. Depreciation, amortization and impairment		
Depreciation of property, plant and equipment (note 17.2)	5,279	6,936
Amortization of intangible assets (note 18)	500	500
Allowance for doubtful balance	796	
	<u>6,575</u>	<u>7,436</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021 N'000	2020 N'000
11. Administrative expenses		
Directors' allowances	2,075	1,260
Directors' other expenses	4,198	3,011
Rent and rates	5,776	5,190
Printing and stationery	1,102	1,551
Legal and professional expenses	5,404	4,538
Subscription and registration	4,800	4,736
Bank charges and commission	4,424	3,759
Insurance	6,438	6,244
Travelling and accommodation	5,281	5,522
Annual General Meeting expenses	2,160	900
Vehicle running costs	1,789	1,413
Repairs and maintenance	10,054	10,713
Community relation expenses	3,078	3,848
Postages and telephone	4,640	5,012
Audit fee	2,150	2,150
Security and safety expenses	5,532	4,145
Office expenses	3,088	2,622
SAP maintenance expenses	1,295	4,800
	<u>73,284</u>	<u>71,414</u>
12. Selling and distribution expenses		
Salaries and allowances	10,238	9,854
Travelling and telephone expenses	954	1,164
Distribution expenses	4,989	7,353
Advertising and sales promotion	890	2,830
	<u>17,071</u>	<u>21,201</u>
13. Finance cost		
Interest on overdrafts	-	3,887
	<u>-</u>	<u>3,887</u>
Expenses by function is summarized as follows:		
Cost of sales (note 7)	2,390,925	2,060,939
Staff cost (note 9)	65,202	63,638
Depreciation, amortization and impairment (note 10)	6,575	7,436
Administrative expenses (note 11)	73,284	71,414
Selling and distribution expenses (note 12)	17,071	21,201
Finance cost (note 13)	-	3,887
Total expenses by function	<u>2,553,057</u>	<u>2,228,515</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021	2020
	N'000	N'000
Expenses by nature:		
Raw materials and consumables	1,797,136	1,517,895
Lighting diesel and electricity	263,383	212,416
Staff costs	262,114	248,003
Depreciation, amortization and impairment	36,600	38,629
Selling and distribution expenses	5,879	11,347
Finance charges	4,424	7,646
Repairs and maintenance	91,361	103,237
Rent, rates and taxes	38,176	37,590
Directors emoluments	6,273	4,271
Travelling and accomodation	6,235	5,522
Legal, audit and other professional expenses	7,554	6,688
Printing, stationery and office expenses	5,485	4,173
Subscription and registration	4,800	8,372
Insurance	6,438	6,244
Annual General Meeting expenses	2,160	900
Vehicle running costs	1,789	1,413
Community relation expenses	3,078	5,012
Postages and telephone	4,640	5,012
Security and safety expenses	5,532	4,145
Total expenses by nature	<u>2,553,057</u>	<u>2,228,515</u>
14. Result for the year	-	-
Result for the year is stated after charging the following:		
Directors' remuneration		
- Fee	-	-
- Others	6,273	4,271
Finance cost	-	3,887
Auditors' remuneration	2,150	2,150
Depreciation of property, plant and equipment	35,304	38,129
Amortization of intangible assets	500	500
15 Taxation (write-back)/expense		
This relates to current tax expense based on the profit for the year:		
Income tax	30,696	33,303
Education tax	2,696	2,840
Charge for the year (note 29.1)	33,392	36,143
Deferred tax (write-back)/addition	(856)	(81,640)
Per Statement of Profit or Loss	<u>32,536</u>	<u>(45,497)</u>

15.1 The charge for income tax in these financial statements has been based on the provision of the Companies Income Tax CAP C21 LFN 2004 while the Education Tax is in accordance with the provisions of Education Tax Act CAP E4 LFN 2004.

ALUMINIUM EXTRUSION INDUSTRIES PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED 31 DECEMBER 2021

16 Other comprehensive income

16.1 Fair valuation of intangibles

This related to fair-valuation of intangible assets (software) in the year

	2021 N'000	2020 N'000
16.2 Revaluation gain		
Net revaluation gain arising from Cost	176,915	-
Net revaluation gain arising from Accumulated depreciation	140,946	-
	<u>317,861</u>	<u>-</u>

17. Property, Plant and Equipment

17.1 Summary

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

	2021 N'000	2020 N'000
Land	679,479	503,840
Leasehold building	434,431	320,536
Extrusion plant and machinery	963,047	957,848
Roofing plant and machinery	13,981	13,891
Furniture and equipment	8,045	11,475
Motor vehicles	5,853	5,653
	<u>2,104,836</u>	<u>1,813,243</u>

17.2 Analysis of Property, plant and equipment

	Land N'000	Leasehold building N'000	Extrusion Plant and machinery N'000	Roofing Plant and machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
Deemed Cost							
At 1 January 2020	503,840	332,160	1,029,481	14,949	19,430	10,900	1,910,760
Addition	-	-	-	-	-	8,125	8,125
At 31 December 2020	503,840	332,160	1,029,481	14,949	19,430	19,025	1,918,885
Addition	-	-	9,036	-	-	-	9,036
Revaluation gain/(loss)	175,639	102,271	(75,470)	(968)	(11,385)	(13,172)	176,915
At 31 December 2021	679,479	434,431	963,047	13,981	8,045	5,853	2,104,836
Depreciation							
At 1 January 2020	-	5,082	47,399	641	7,306	7,085	67,513
Charge for the year	-	6,542	24,234	417	649	6,287	38,129
At 31 December 2020	-	11,624	71,633	1,058	7,955	13,372	105,642
Charge for the year	-	6,090	23,592	343	1,781	3,498	35,304
Transfer to Rev reserve	-	(17,714)	(95,225)	(1,401)	(9,736)	(16,870)	(140,946)
At 31 December 2021	-	-	-	-	-	-	-
Carrying Amount							
At 31 December 2021	679,479	434,431	963,047	13,981	8,045	5,853	2,104,836
At 31 December 2020	503,840	320,536	957,848	13,891	11,475	5,653	1,813,243
At 1 January 2020	503,840	327,078	982,082	14,308	12,124	3,815	1,843,247

2021 2020

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

17.3 Deemed Cost

The Company's property, plant and equipment were revalued on 23 December 2021 by Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/00000000254) on the basis of market value at the sum of N 2,095,000,000. The revaluation gain of N317,861,000 arising therefrom was accounted for as part of other comprehensive income in the year of revaluation.

	2021	2020
	N'000	N'000
17.4 Depreciation		
Cost of sales	30,025	31,193
Administrative	5,279	6,936
	<u>35,304</u>	<u>38,129</u>
17.5 Land		
This comprises of:		
Factory site at Inyishi	477,879	333,840
Plots 5, 6 and 7 Industrial Layout, Ikot Abasi	201,600	170,000
	<u>679,479</u>	<u>503,840</u>

17.6 Security

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

18 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 fully amortized in the year and was fair-valued and incorporated in the financial statements.

	2021	2020
	N'000	N'000
Cost		
At 1 January	1,500	1,500
Fair-valuation in the year	1,500	-
At 31 December	<u>3,000</u>	<u>1,500</u>
Amortization		
At 1 January	1,000	500
Amortization in the year	500	500
At 31 December	<u>1,500</u>	<u>1,000</u>
Carrying amount at 31 December	<u>1,500</u>	<u>500</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021	2020
	N'000	N'000
19 Inventories		
Raw materials, chemicals and powders	279,351	267,555
Spares	117,888	75,333
Die	40,634	18,288
Finished goods	190,069	135,391
Fuel, Oil and lubricants	21,223	19,111
	<u>649,165</u>	<u>515,678</u>

19.1 The total inventory charged to cost of sales is N2,097,388 (2020 - N1,730,311,000)

19.2 The company adopts "weighted average cost" method in valuing inventory

19.3 There is no inventory pledged as security for liabilities during the year.

20. Trade and other receivables

Trade and other receivables are recognized initially at their transaction price and subsequently measured at amortized cost less loss allowances.

	2021	2020
	N'000	N'000
Trade receivables	4,001	4,026
Advance to suppliers	5,786	8,254
Due from related companies (Note 34)	13,115	15,498
	<u>22,902</u>	<u>27,778</u>
Allowance for related party receivables	(796)	-
	<u>22,106</u>	<u>27,778</u>

21. Cash and cash equivalents

Cash in hand	1,585	726
Cash at banks (note 21.1)	33,259	198,307
Cash and bank balance	<u>34,844</u>	<u>199,033</u>
Short term borrowing (note 21.2)	(55)	(55)
	<u>34,789</u>	<u>198,978</u>

21.1 Cash at banks

Included in the cash at banks is an amount of N12,104,578 (2020 - N10,531,390) relating to unclaimed dividends in prior years held as fixed deposit investment in Access bank.

21.2 Short term borrowings

Convertible debenture	<u>55</u>	<u>55</u>
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ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021	2020
	N'000	N'000
22 Other current assets		
Prepaid expenses (note 22.1)	5,532	5,523
Staff advance (Note 22.2)	6,189	4,809
	<u>11,721</u>	<u>10,332</u>

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

22.2 This relates to advance given to staff. The staff advance is stated at market value.

23 Share Capital

Authorised:

300,000,000 ordinary shares of 50k each

150,000	150,000
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Issued, called up and fully paid:

219,956,000 ordinary shares of 50k each

109,978	109,978
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Each ordinary share holds one voting right.

24 Share premium

124,956	124,956
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This represents the share premium arising from the shares issued by the Company

	2021	2020
	N'000	N'000
25 Revaluation reserve		
At 1 January	973,255	973,255
Revaluation gain	317,861	-
	<u>1,291,116</u>	<u>973,255</u>

26 Retained earnings

As at 1 January

804,081	646,580
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Prior year's dividend paid (note 26.1)

-	-
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Profit for the year after taxation

66,941	149,376
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Arising from leased motor vehicle (26.2)

-	8,125
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Other comprehensive income

1,500	-
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<u>872,522</u>	<u>804,081</u>
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26.1 There was no dividend paid in the year as the AGM for 2020 financial statements did not hold due to the matter in court.

26.2 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) YEAR ENDED 31 DECEMBER 2021

	2021 N'000	2020 N'000
27 Deferred taxation		
At 1 January	163,187	244,827
Movement in the year	(856)	(81,640)
At 31 December	<u>162,331</u>	<u>163,187</u>

Deferred tax liabilities arose mainly on Property, plant and equipment.

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	2021					
	Opening balance N'000	Charged to profit or N'000	Recognised in other comprehensive income N'000	Charged directly to equity N'000	Reclassified from equity to profit or loss N'000	Closing balance N'000
<i>Deferred tax assets/(liabilities) on:</i>						
Property, Plant and Equipment	163,187	(856)	-	-	-	162,331
Available-for-sale financial assets	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	<u>163,187</u>	<u>(856)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,331</u>

	2020					
	Opening balance N'000	Charged to profit or N'000	Recognised in other comprehensive income N'000	Charged directly to equity N'000	Reclassified from equity to profit or loss N'000	Closing balance N'000
<i>Deferred tax assets/(liabilities) on:</i>						
Property, Plant and Equipment	244,827	(81,640)	-	-	-	163,187
Available-for-sale financial assets	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	<u>244,827</u>	<u>(81,640)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,187</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax assets/(liabilities) presented in the Statement of Financial Position:

	2021 N'000	2020 N'000
Deferred tax assets	-	-
Deferred tax liabilities	<u>162,331</u>	<u>163,187</u>
	<u>162,331</u>	<u>163,187</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

28 Trade and other payables

Trade and other payables are recognized initially at their transaction price and subsequently measured at amortized cost.

	2021 N'000	2020 N'000
Trade payables (note 28.1)	74,134	23,705
Customers' deposits (28.2)	43,518	154,478
Accrued expenses (28.3)	6,276	4,992
Provisions (28.4)	73,158	140,533
Due to related companies (note 34)	-	2,430
	<u>197,086</u>	<u>326,138</u>

28.1 Trade payables

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

28.2 Customers' deposits

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

28.3 Accrued expenses

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

28.4 Provisions

These are liabilities in which either the timing of occurrence or the amount was not known at year end.

	2021 N'000	2020 N'000
29 Current tax liabilities		
Income tax payable (note 29.1)	33,392	36,143
Withholding tax payable (note 29.2)	12,385	11,216
	<u>45,777</u>	<u>47,359</u>

29.1 Income tax payable

At 1 January	36,143	28,552
Charge for the year (note 15)	33,392	36,143
Payment during the year	(36,143)	(28,552)
At 31 December	<u>33,392</u>	<u>36,143</u>

29.2 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
30 Other current tax liabilities		
Value added tax	4,863	978
Pay As You Earn tax	-	-
	<u>4,863</u>	<u>978</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021	2020
	N'000	N'000
31 Dividends		
Unclaimed dividend	12,105	13,566
Interest on fixed deposit	-	-
	<u>12,105</u>	<u>13,566</u>
32 Other current liabilities		
Trust funds	2,627	2,358
Deposit for dies	600	600
Insurance claim	150	35
Others	5	17
	<u>3,382</u>	<u>3,010</u>
33 Reconciliation of Profit for the year to net cash provided by operating activities		
Profit for the year	386,302	149,376
Adjustments not involving movement of cash		
Depreciation of property, plant and equipment (note 17.2)	35,304	38,129
Amortisation of intangible assets (note 18)	500	500
Finance cost (note 13)	-	3,887
Finance lease adjustment	-	8,125
Unclaimed dividend adjustment	1,461	-
Fair-valuation of intangibles	(1,500)	-
Revaluation surplus	(317,861)	-
	<u>104,206</u>	<u>200,017</u>
Changes in assets and liabilities		
(Increase)/decrease in inventories	(133,487)	38,186
Decrease in trade and other receivables	5,672	28,369
Increase in other current assets	(1,389)	(2,317)
(Decrease)/increase in trade and other payables	(129,052)	95,472
(Decrease)/increase in current tax liabilities	(1,582)	6,834
Increase in other current tax liabilities	3,885	679
(Decrease)/increase in Dividends	(1,461)	2,577
Increase in other current liabilities	372	439
Decrease in deferred tax	(856)	(81,640)
Net cash (used in)/provided by operating activities	<u>(153,692)</u>	<u>288,616</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

34 Related party relationship

34.1 Relationship with the parent, fellow subsidiaries and associates of the Group

a. **Tower Aluminium (Nigeria) Limited .**

Tower Aluminium (Nigeria) Limited is the major shareholder of Aluminium Extrusion Industries Plc (ALEX Plc), with 67.80% shareholding. Tower Aluminium (Nigeria) Limited went into receivership. However, there is a court case between Tower Aluminium (Nigeria) Limited and the receivers. Notwithstanding this, we learnt that Tower Aluminium (Nigeria) Limited is renamed Tower Alloys Industries Limited.

b. **Tower Extrusions**

Tower Extrusions is the Extrusion division of Tower Aluminium (Nigeria) Limited. It also changed its name to Tower Alloys Industries Limited during the year. The Company was supplying Aluminium profiles and chemicals to ALEX Plc and was also buying Aluminium profiles and billet logs.

c. **Aluminium Rolling Mill**

Aluminium Rolling Mills is a division of Tower Aluminium (Nigeria) Limited. It supplies Aluminium coils to Alex F

d. **Tower Building Products**

Tower Building Products is a division of Tower Aluminium (Nigeria) Limited. It supplies roofing sheets to ALEX

e. **Kolorkote Nigeria Limited**

Kolorkote Nigeria Limited is a subsidiary of Tower Aluminium (Nigeria) Limited. It supplies Aluminium coils to ALEX Plc.

f. **Queensway Aluminium Company Limited**

Queensway Aluminium Company Limited is a subsidiary of Tower Aluminium (Nigeria) Limited. It leased its powder-coating plant at Suleja, Niger State to ALEX Plc which commenced business in April 2013.

g. **International Data Management Services (IDM) Limited**

International Data Management Services (IDM) Limited is an Associate Company of Tower Aluminium (Nigeria) Limited. It is responsible for software installation and systems and data management for the group.

h. **Asaba Aluminium Company Limited**

This is an Associate Company of Tower Aluminium (Nigeria) Limited. It supplies Aluminium coils and roofing sheets to Alex Plc and ALEX Plc supplies same to them when in need.

i. **Midland Galvanizing Products Limited**

Midland Galvanizing Products Limited is an associate of Tower Aluminium (Nigeria) Limited. It supplies steel roofing sheets to ALEX Plc.

j. **PGN Limited**

PGN Limited is an associate of Tower Aluminium (Nigeria) Limited. It supplies Aluminium coils and roofing sheets to ALEX Plc.

Transactions

During the year, Aluminium Extrusion Industries Plc carried out transactions with these Companies. These transactions are as stated against each Company above.

At the end of the year, the following balances were outstanding in the Company's records:

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

	2021	2020
	N'000	N'000
Due from:		
Asaba Aluminium Company Limited - Purchase of Aluminium coils	796	796
Tower Alloys Industries Limited - Purchase of billets and profiles	12,301	14,702
Queensway Aluminium Co. Ltd- Lease of warehouse and powder-coating plant	18	-
	<u>13,115</u>	<u>15,498</u>
Due to:		
Queensway Aluminium Co. Ltd- Lease of warehouse and powder-coating plant	-	2,430
Kolorkote Nigeria Limited - Supply of Aluminium coils	-	-
	<u>-</u>	<u>2,430</u>

Allowance for doubtful debts

Full allowance was made for Asaba Aluminium Company Limited's balance of N796,000 because the debt is doubtful of recovery.

There were no related parties' and shareholders' loans.

34.2 Relationship with the key management personnel

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

Transaction

During the year there were no transactions carried out by the key management personnel with the Company. However, the Directors' fees, allowances and other entitlements are disclosed in note 35.1 below.

	2021	2020
	N'000	N'000
35.0 Information on Directors and Employees		
35.1 Directors		
The remuneration paid to the directors are as follows;		
Fees	-	-
Emoluments (including sitting allowances)	<u>6,273</u>	<u>4,271</u>
Highest paid Director (MD)	<u>2,394</u>	<u>2,394</u>
	<u>Number</u>	<u>Number</u>
Directors with no emoluments	<u>Nil</u>	<u>Nil</u>

The Directors have no fees. They are only entitled to sitting allowance.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

35.2 Employees

Employees of the company, other than Directors, whose duties were wholly or mainly discharged in Nigeria received gross remuneration in the following ranges:

	2021 Number	2020 Number
Below N800,000	4	6
N800,001 - N900,000	4	2
N900,001 - N1,000,000	5	9
N1,000,001 - N1,100,000	7	9
N1,100,001 - N1,200,000	5	7
N1,200,001 - N1,300,000	3	2
N1,300,001 - N1,400,000	4	6
N1,400,001 - N1,500,000	5	9
N1,500,001 - N1,600,000	4	3
N1,600,001 - N1,700,000	3	1
N1,700,001 - N1,800,000	5	2
N1,800,001 - N1,900,000	4	1
N1,900,001 - N2,000,000	4	1
N2,000,001 and above	3	2
	<u>60</u>	<u>60</u>

Staff numbers

The average number of staff of the company in the year is as follows:

Categories

Production	49	47
Sales and distribution	3	4
Administration	8	9
	<u>60</u>	<u>60</u>

Staff cost

	2021 N'000	2020 N'000
Cost of sales	186,674	174,511
Administrative	65,202	63,638
Selling and distribution	10,238	9,854
	<u>262,114</u>	<u>248,003</u>

36 Earnings per Share

Profit for the year	66,941	149,376
Other comprehensive income transferred to retained earnings	1,500	-
Profit attributable to ordinary equity holders (in naira)	<u>68,441</u>	<u>149,376</u>
Number of ordinary shares issued and fully paid (in number)	<u>219,956</u>	<u>219,956</u>
Earnings per 50 kobo share (EPS) - Basic (kobo)	<u>31</u>	<u>68</u>

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

37. Financial instruments

A Financial Risk Management

- Risk management framework

The Board of Directors has over all responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc review so frisk management controls and procedures, the results of which are reported to both Senior Management and the Audit Committee.

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

- a Credit risk
- b Liquidity risk
- c Market risk
- d Operational risk

a Credit risk

Credit risk is the risk that a customer will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

In order to minimise credit risk, the Company has developed the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its customers are continuously monitored.

Purchase limits are established for each customer and these limits are reviewed periodically. Customers that fail to meet the Company's benchmark credit worthiness may transact with the Company only on a cash or prepayment basis. The Company's payment and delivery terms and conditions offered to customers provide various credit limits based on individual customers.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

Trade and other receivables relate mainly to the major customers that buy in large quantities and are also regular. Customers that are graded as "highrisk" are grouped separately then monitored, and future sales are made on a cash or prepayment basis.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy.

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

i Exposure to credit risk

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

	Note	2021 N'000	2020 N'000
Receivables	20	22,106	27,778
Cash and bank balances	21	34,844	199,033
		<u>56,950</u>	<u>226,811</u>

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

	Note	2021 N'000	2020 N'000
Customers	20	4,001	4,026
Related Party receivables	20	13,115	15,498
Staff loans and advances	22	6,189	4,809
		<u>23,305</u>	<u>24,333</u>

ii Impairment losses

Trade receivables

For trade receivables, the Company applied the simplified approach in computing ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

Set out below is the information about the credit risk exposure on the Company's trade receivables as at 31 December 2021 using a provision matrix:

31 December 2021

	Trade Receivables Days Past Due						Total N'000
	Current N'000	1 - 30 days N'000	31 - 60 days N'000	61 - 90 days N'000	91 - 120 day N'000	> 120 days N'000	
Expected credit loss rate	0.1%	0.1%	0.1%	50.4%	75.6%	100%	
Estimated total gross carrying amount at default	-	-	4,001	-	-	-	4,001
Expected credit loss	-	-	4	-	-	-	4

The expected credit loss of N4,000 was not incorporated in these financial statements for reasons of materiality.

i 31 December 2020

	Trade Receivables Days Past Due						Total N'000
	Current N'000	1 - 30 days N'000	31 - 60 days N'000	61 - 90 days N'000	91 - 120 day N'000	> 120 days N'000	
Expected credit loss rate	0.1%	0.1%	0.1%	50.4%	75.6%	100%	
Estimated total gross carrying amount at default	-	1,250	2,776	-	-	-	4,026
Expected credit loss	-	1.25	2.78	-	-	-	4

The expected credit loss of N4,000 was not incorporated in these financial statements for reasons of materiality.

Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for its other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED 31 DECEMBER 2021

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

The Company considers a financial asset in default when contractual payments are 90 days pastdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows. Based on the assessment carried out, the expected credit loss is immaterial and hence no allowance was made in these financial statements.

b. Liquidity risk

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

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

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

31 December 2021	Carrying Amounts	Contractu Cash flows	1-5months	6-12 mths	1-2 Years	2-5 Years
Non derivative financial liabilities						
Trade and other payables (Note 28)	197,086	96,535	54,025	32,576	13,950	-
Bank overdraft and debenture (Note 21.2)	55	55	-	-	-	55
	197,141	96,590	54,025	32,576	13,950	55
31 December 2020						
Non derivative financial liabilities						
Trade and other payables (Note 28)	326,138	326,138	122,953	116,213	86,972	-
Bank overdraft and debenture (Note 21.2)	55	55	-	-	-	55
	326,193	326,193	122,953	116,213	86,972	55

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

c. **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages market risks by keeping costs low to keep prices within profitable range. Interest rates are benchmarked to NIBOR (for local loans). The Company is not exposed to any equity risk.

i. **Currency risk**

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of Company, primarily the Naira. The currencies in which these transactions primarily denominated is US Dollars (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

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

The Company manages the transactional exposures in accordance with specific principles which are in line with the Company's business needs. These include balancing the sources of financial instruments. There was no Exchange difference recorded in the statement of comprehensive income in the year'

ii. **Interest rate risk**

The Company adopts a policy of ensuring that a significant element of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into loan arrangements with mixed interest rate sources..

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the over all duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources. However, there is no facility to attract any interest at the end of the year.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

d Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

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

Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are submitted to the Managing Director of the Company.

B. Determination of fair values

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

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

i Trade and other receivables

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

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

ii Non-derivative financial liabilities

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

Fair values

Fair values versus carrying amounts

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

Assets measured at fair value

There are no financial assets and liabilities that are carried at fair value. As such the fair value hierarchy has not been disclosed.

Financial assets measured at amortized cost

	2021		2020	
	Carrying amo	Fair value	Carrying amo	Fair value
Long term receivables	-	-	-	-
Loans and receivables	22,106	27,778	27,778	27,776
Cash Balance	34,844	199,033	199,033	199,033
	<u>56,950</u>	<u>226,811</u>	<u>226,811</u>	<u>226,809</u>

Financial liabilities measured at amortized cost

	2021		2020	
	Carrying amo	Fair value	Carrying amo	Fair value
Unsecured intercompany loan	-	-	-	-
Secured bank loans	-	-	-	-
Bank overdraft	-	-	-	-
Trade and other payables	197,086	195,625	326,138	326,138
	<u>197,086</u>	<u>195,625</u>	<u>326,138</u>	<u>326,138</u>

The fair value of the financial assets and liabilities are determined based on level 3 inputs of the fair value hierarchy. At year end, the carrying amounts of loans and receivables together with trade and other payables reasonably estimated their fair values.

C Capital management

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

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

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

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

	2021	2020
	N	N
Total liabilities	425,599	554,293
Cash balance	(34,844)	(199,033)
Net debt	<u>390,755</u>	<u>355,260</u>
Total Equity	<u>2,398,572</u>	<u>2,012,270</u>
Debt to capital ratio at 31 December	<u>16</u>	<u>18</u>

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

38. Guarantees and other financial commitments

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

39. Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial statements have been taken into account in the preparation of the financial statements under review.

40. Contingent liabilities

There are no litigations against the Company during the reporting period. There were no contingent liabilities as at the year end (2020 - Nil).

41. Relationship with the parent company

Tower Aluminium (Nigeria) Limited is the major shareholder of Aluminium Extrusion Industries Plc (ALEX Plc), with 67.80% shareholding. Tower Aluminium (Nigeria) Limited went into receivership. However, there is a court case between Tower Aluminium (Nigeria) Limited and the receivers. Notwithstanding this, we learnt that Tower Aluminium (Nigeria) Limited is renamed Tower Alloys Industries Limited.

42. Covid-19

The Directors are of the opinion that the continuing existence or going concern of the company is not being threatened.

43. Capital commitments

There were no capital commitments as at 31 December 2021.

ALUMINIUM EXTRUSION INDUSTRIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED 31 DECEMBER 2021

44 Events after the reporting date

There were no events after reporting date which could have had material effect on the state of affairs of the company as at 31 December 2021 and on the profit for the year ended on that date which have not been adequately provided for or recognized.

45 Comparative figures

Certain prior year figures have been reclassified for the purpose of comparability with the current year.

46 Non-audit services

The External Auditors also provide tax services to the Company at no separate fee from the Audit fee. The Audit fee is as indicated in expense details (note 11)

47 Professional firms

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

Audit firm

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

Estate Valuers

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

Company Secretaries

DSCL Corporate services Limited is the Company's secretaries. They are responsible for filing accounts with Corporate Affairs Commission, Securities and Exchange Commission together with other secretarial functions. The FRC registration number is FRC/2013/NBA/00000000855

Registrars

GTL Registrars Limited is the company's registrars. They are responsible for keeping the records of shareholders and paying dividends. The FRC registration number is FRC/2016/00000007363.

NATIONAL STANDARDS

ALUMINIUM EXTRUSION INDUSTRIES PLC

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 N'000	%	2020 N'000	%
Revenue	2,635,243		2,328,485	
Other income	<u>17,291</u>		<u>3,909</u>	
	2,652,534		2,332,394	
Less: Bought-in-materials and service				
- imported	-		-	
- local	<u>(2,254,139)</u>		<u>(1,938,496)</u>	
Value added	<u>398,395</u>	100	<u>393,898</u>	100

Applied as follows

To pay staff salaries, wages and other benefit:	262,114	66	248,003	63
To pay interest on loans and overdrafts	-	-	3,887	1
To pay tax to Federal Government	33,392	8	36,143	9
Retained for replacement of tangible assets	35,304	9	38,129	10
Deferred taxation	(856)	(0)	(81,640)	(21)
Retained in the business for growth	<u>68,441</u>	<u>17</u>	<u>149,376</u>	<u>38</u>
	<u>398,395</u>	100	<u>393,898</u>	100

Note: "Value added" represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees, capital providers, government and that retained for future creation of wealth.

ALUMINIUM EXTRUSION INDUSTRIES PLC

OTHER NATIONAL DISCLOSURES

FIVE YEAR FINANCIAL SUMMARY YEAR ENDED 31 DECEMBER

	31 December				
	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
ASSETS EMPLOYED					
Non-current assets	2,106,336	1,813,743	1,844,247	1,861,832	1,707,071
Current assets	717,836	752,821	631,810	637,739	551,057
Total Assets	2,824,172	2,566,564	2,476,057	2,499,571	2,258,128
EQUITY AND LIABILITIES					
Share capital	109,978	109,978	109,978	109,978	109,978
Share premium	124,956	124,956	124,956	124,956	124,956
Revaluation reserve	1,291,116	973,255	973,256	973,255	826,529
Retained earnings	872,522	804,081	646,580	601,329	534,311
Total equity	2,398,572	2,012,270	1,854,770	1,809,518	1,595,774
Liabilities					
Non-current liabilities	162,331	163,187	250,656	236,309	214,241
Current liabilities	263,268	391,106	370,631	453,744	448,113
Total liabilities	425,599	554,293	621,287	690,053	662,354
Total equity and liabilities	2,824,172	2,566,564	2,476,057	2,499,571	2,258,128
PROFIT OR LOSS ACCOUNT					
Revenue	2,635,243	2,328,485	2,606,543	2,725,070	2,568,508
Profit before tax	99,477	103,879	113,562	128,043	124,014
Taxation (expense)/write-back	(32,536)	45,497	(49,615)	(41,142)	(40,616)
Profit after tax	66,941	149,376	63,947	86,901	83,398
Other comprehensive income	319,361	-	-	(1,187)	(101)
Total comprehensive income	386,302	149,376	63,947	85,714	83,297
Earnings per 50k share (basic) kobo	31	68	29	39	38
Net assets per share (kobo)	1,090	915	843	823	725

Basic earnings per share are calculated on the profit after tax and the number of fully paid ordinary shares at the end of each year.

Net assets per share are based on net assets and the number of fully paid ordinary shares at the end of each year.

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.