

# AJAOKUTA STEEL COMPANY LIMITED

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021



**J. FEMI ADEBISI & CO.**

**HEAD OFFICE:**

No. 10 Ajara Street, Adj. Kewon Hotel Ltd.

P.O Box 682

Lokoja, Kogi State.

Tel: 08037044599

Email: [adebisijf@yahoo.com](mailto:adebisijf@yahoo.com)

[adebisijf@gmail.com](mailto:adebisijf@gmail.com)

**ABUJA OFFICE:**

Suite B22 Danziyal Plaza

Central Area

Abuja.

**AJAOKUTA STEEL COMPANY LIMITED**  
**ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

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**AJAOKUTA STEEL COMPANY LIMITED**  
**ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2021**  
**CORPORATE INFORMATION**  
**DIRECTORS /MANAGEMENT COMMITTEE TEAM**

- |     |                               |   |                                     |
|-----|-------------------------------|---|-------------------------------------|
| 1)  | ENGR. SUMAILA ABDUL-AKABA     | - | Sole Administrator/CEO              |
| 2)  | ENGR. UMAR, MUHAMMED SULEIMAN | - | Head (Engineering Works & Services) |
| 3)  | ONOGU OJOMA AGATHA            | - | Head (Commerce)                     |
| 4)  | AIYENALE SOLOMON OLUDARE      | - | Head (Finance)                      |
| 5)  | YUSUF ILEYORI NUHU            | - | Head (Operations)                   |
| 6)  | ADEKOLA, DOLU CALEB           | - | Head (Utilities)                    |
| 7)  | AHMED ADAVUDI SALIHU          | - | Head (General Administration)       |
| 8)  | ADEJOH, MUSA DAVID            | - | Head (STA)                          |
| 9)  | OCHEJA, NOAH ALI              | - | Head (CA)                           |
| 10) | OKIKIOLU, ALBERT KOLAWOLE     | - | Head (Medical)                      |
| 11) | SALIU DADA YAHAYA             | - | Head (MTC)                          |

**REGISTERED OFFICE**

P.M.B 1000, Steel City – Ajaokuta,  
Ajaokuta  
Kogi State.

**DATE OF INCORPORATION**

September 1979

**NATURE OF BUSINESS**

Iron and Steel Products

**DATE OF COMMENCEMENT**

1983

**AUDITORS**

J. Femi Adebisi & Co.  
(Certified National Accountants)  
10 Ajara Street,  
Lokoja.  
Kogi State  
Tel: 08037044599  
Email: adebisijf@yahoo.com

**BANKER**

United Bank for Africa Plc  
First Bank of Nigeria Plc  
Central Bank of Nigeria (TSA)

**AJAOKUTA STEEL COMPANY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

**REPORT OF THE DIRECTORS**

The Directors submit their report together with the Audited Financial Statements for the Year Ended 31st December, 2021 which shows the state of the company affairs.

**ACTIVITIES OF THE COMPANY**

1. CONSTRUCTION INDUSTRY — Imports of over 4million tons of rolled steel products and over 12 million tons of other steel products at the present rate will stop, leading to savings of several billions in foreign currency per annum.
2. TRANSPORTATION (RAIL) — With rail track production in ASCL, more than \$5billion imports of rail for railway expansion and maintenance will be saved per annum.
3. PETROLEUM SECTOR (Local Content) — ASCL Engineering Workshops can provide most of the spares for Turn Around Maintenance (TAM). Value is added to concentrates, and pellet Plant waste to produce Picoat which is used for coating under water petroleum pipelines.
4. COMMUNICATION — Communication Towers can be produced in Ajaokuta; saving the country billions of dollars being spent on importation of components of Communication and power Towers. Investment opportunities will be created in both downstream and upstream sectors, e. g. (i) In power transmission — pylons, insulations and conductors, etc (ii) Power distribution — Transformers, poles, cables, etc
5. POWER TRANSMISSION TOWERS — Transmission towers can be produced in Ajaokuta.
6. EMPLOYMENT GENERATION - With the completion and commissioning of the steel plant to produce 1.3million MT per annum of liquid steel, Ajaokuta Steel plant would become a net provider of employment:
  - Direct employment-10,000;
  - Indirect employment — over 500,000 of Unskilled, Semi-Skilled and Skilled Workers and various professionals in the downstream and upstream industries and services
7. CEMENT/MINING INDUSTRIES — Spares/Repairs in cement industries can be made in Ajaokuta saving foreign currency. At the moment, a good number of Local Plants patronize ASCL workshops for parts that could have been otherwise imported.
8. TRAINING — Establishment of a nascent pool of engineering skills at Ajaokuta that will stimulate and sustain engineering manufacturing base for the Nigerian economy. There is available a training Centre well equipped for technician and craftsman training.
9. UPSTREAM/DOWNSTREAM INDUSTRIES — With the availability of products and byproducts of Ajaokuta Steel Company more of these satellite industries will come on stream thus motivating industrial activities that will keep the economy moving.

**AJAKUTA STEEL COMPANY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

**Report of the Directors (Cont'd)**

10. FOREIGN EXCHANGE SAVER/EARNER — Billions of foreign exchange will be saved as most of the products of ASCL e. g. reinforcement bars, round coils, spare parts, etc hitherto imported can now be produced locally. Also, the Company (ASCL) has the capacity to export rolled products to West African markets thereby earning foreign exchange for the country

11. INPUT FOR SMALL AND MEDIUM SCALE INDUSTRIES — With the availability of the products and by-products of Ajaokuta, more of these industries will naturally come on stream.

12. MOTOR AND SHIP BUILDING INDUSTRIES — With the availability of flat sheet, structures, spares and other parts, motor and ship building becomes easier.

13. AGRO AND CHEMICAL BASED INDUSTRIES — Will have their base increased tremendously etc.

**OPERATING RESULT:**

The operating results of the Company for the year ended 31<sup>st</sup> December, 2021 is set out on page Nine (9) of the Financial Statements.

**Directors**

The members of the management team who served during the year under review are shown on page 2.

**AUDITORS**

In accordance with the Companies and Allied Matters Act of 2020, Messrs J. Femi Adebisi & Co. are willing to continue as Auditors of the Company.

BY ORDER OF THE BOARD

Date. 20/09/2022

**AJAKUTA STEEL COMPANY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

This report, including the opinions, has been prepared for and only for the Board members as a body in accordance with Chapter 3 of Part 16 of the Companies and Allied Matters Act 2020 and for no other purpose.

As required by law for the Directors to prepare financial statements in respect of the *Company*, which give a true and fair view of the state of affairs of the *Company* at the end of the financial year 31<sup>st</sup> December, 2021 and the operating results of the *Company* for the year ended 31<sup>st</sup> December, 2021. The Directors are also required to ensure that the *Company* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Company*. The Directors are also responsible for safeguarding the assets of the *Company*.

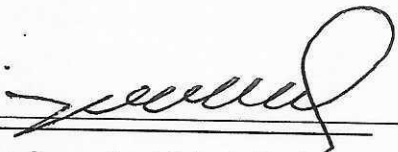
The Directors were responsible for the preparation and presentation of the *Company's* financial statements, which give a true and fair view of the state of affairs of the *Company* for and as at the end of the financial year (period) ended 31<sup>st</sup> December, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Company*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to errors or fraud; (iv) safeguarding the assets of the *Company*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that were reasonable in the circumstances.

The Directors accept responsibility for the *Company's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public-Sector Accounting Standards (IPSASs). The Directors are of the opinion that the *Company's* financial statements give a true and fair view of the state of *Company's* transactions during the financial year ended 31<sup>st</sup> December, 2021, and of the *Company's* financial position as at that date. The Directors further confirmed the completeness of the accounting records maintained for the *Company*, which were relied upon in the preparation of the *Company's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the *Company* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the Financial Statements**

The *Company's* financial statements were approved by the Management on 31<sup>st</sup> December, 2021 and signed on behalf of the Management by:



**Engr. Sumaila Abdul-Akaba**

**Sole Administrator**

FRC/2022/PRO/DIR/008/25725

**Registered Office:**

No 10 Ajara Street,  
Adj. Kewon Hotels Ltd,  
P.O. Box 682,  
Lokoja, Kogi State.  
Tel: 08037044599  
E-mail: adebisijf@yahoo.com  
adebisijf@gmail.com

■ Suite B206, SOAR Plaza,  
Road 521/522,  
First Avenue, Opposite FCMB,  
Gwarinpa-Abuja FCT.

■ State Low Cost Quarters,  
Opposite Forestry Hospital  
Road, Jimeta Yola,  
Adamawa State.

■ No. 50 Oyenuga Street,  
Ikorodu Lagos  
Tel: 08053483799.

Our Ref: \_\_\_\_\_ Your Ref: \_\_\_\_\_ Date: \_\_\_\_\_

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AJAOKUTA STEEL COMPANY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021.**

**Auditors' Opinion**

In our opinion, the Company's Financial Statements give a true and fair view of the financial position and of the Cash Flow Statement of Ajaokuta Steel Company Limited for the period ended 31<sup>st</sup> December, 2021 in accordance with the International Public-Sector Accounting Standards and relevant Statements of Accounting Standards approved by the Financial Reporting Council of Nigeria, "except for" the heavy dependent of the company on External Financing.

**Basis of the Opinion**

We conducted our audit in accordance with Generally Accepted Auditing Standards. These Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material mis-statement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the estimates and judgments made by the management in the preparation of the financial statements, and whether the accounting policies are appropriate to the company circumstances, consistently applied and adequately disclosed.

We note the need for continuous understanding of the bankers and lenders of funds to ensure continuity of the company.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material mis-statements, whether caused by fraud, other irregularities or errors. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements.

**Going Concern**

Under the Listing Rules we are required to review the Directors' statement, set out on page 4, in relation to going concern.

We have nothing adverse to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the Company's financial statements using the Going Concern Basis of Accounting.

The going concern basis presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit, we have concluded that the Directors' use of the going concern basis is appropriate.

**Other matters on which we are required to report by exception; Adequacy of information and explanations received**

Under the Companies and Allied Matters Act Cap C20 2020 we are required to report to you if, in our opinion we have received all the information and explanations we required for our audit. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit: Our responsibilities and those of the directors**

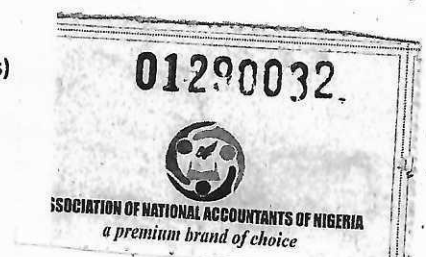
As explained more fully in the Directors' Responsibilities Statement set out on page 7 to 14, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable laws and relevant Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria. Those standards require us to comply with the Auditing Practices and Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board members as a body in accordance with Chapter 3 of Part 16 of the Companies and Allied Matters Act 2020 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save except where expressly agreed by our prior consent in writing.

*04/10/2022*  
**J. Femi Adebisi & Co.**  
**(Certified National Accountants)**  
Lokoja.  
FRC/2013/ANAN/0000000913

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## AJAOKUTA STEEL COMPANY LIMITED

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER, 2021

The following are the significant accounting policies which have been adopted by the company in the preparation of its financial statements.

#### **Basis of Accounting**

The accounts are prepared under the historical cost convention.

#### **Turnover**

Turnover represents the net value of goods invoiced to customers.

#### **Non-Current Assets**

Non-Current assets are stated at cost less accumulated depreciation.

#### **Depreciation**

Depreciation charged on Non-Current assets is calculated on a straight-line basis to write off their costs over their estimated useful lives at the following annual rates:

	%
Land and Building	5
Steel Plant Complex	5
Plant and Machinery, Workshop and Training Equipment, Laboratory Warehouse, Electrical Installation, Geological Survey Equipment	10
Air strip	10
River Port	5
Office, Safety, Household and Medical Equipment	15
Motor Vehicles	25
Household and Office soft Furniture	25
Amortization: Accounting Software	50

#### **Inventory and Work-in-Progress**

Inventory and work-in-progress are stated at the lower of cost and net realizable value. Cost consists of direct materials and labour plus the relevant proportion of production overheads.

#### **Foreign Currencies**

Transactions arising in foreign currencies are converted into Naira at the approximate rates of exchange ruling at the dates of transactions.

Foreign currency balances are converted to the naira at the rates of exchange ruling at the Statement of Financial Position date and the resulting profit or loss on exchange is taken to the profit or loss account.

#### **Receivables**

Debtors and prepayments are stated after deduction of balances considered doubtful of recovery.

#### **Investments**

Investments are stated at cost less provision for diminution in the value of the investments.

#### **Deferred Taxation**

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the timing differences between the net book value of the qualifying Non-Current assets and their corresponding tax written down values in accordance with IAS 12 on deferred tax liability under International Financial Reporting Standards.

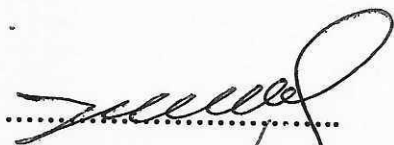
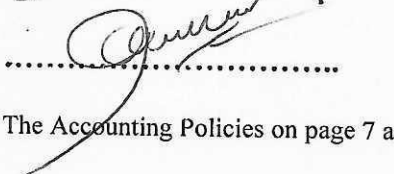
#### **Gratuity and Retirement Benefit Schemes**

The office of the Accountant General of the Federation is responsible for the computation and payment of staff retirement benefits to appointed Insurance Companies up to 30 June, 2004. Effective from July 2004, arrangement for retirement benefits (on a defined contribution basis) for members of staff are based on the provisions of the staff pension scheme which is contributory. The matching contribution of 8% and 10% for staff and company respectively are based on current salaries and designated allowances and are charged to profit or loss account. Membership of the scheme is automatic upon resumption of duties with the Company.

**AJAOKUTA STEEL COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 31ST DECEMBER, 2021**

<u>NOTE</u>	<u>31-12-21</u>	<u>31-12-20</u>
<b>CODE</b>	<b>N</b>	<b>N</b>
<b>32 <u>NON-CURRENT ASSETS</u></b>		
3201 Property, Plant & Equipment	1 79,082,522,586	79,059,883,162
Intangible Assets	2 10	10
	<b>79,082,522,596</b>	<b>79,059,883,172</b>
<b>31 <u>CURRENT ASSETS</u></b>		
310201 Cash & Cash Equivalents	3 173,521	5,321,586
310601 Receivables	4 94,326,727	166,010,172
310501 Inventories	5 262,283,708	261,389,062
	<b>356,783,956</b>	<b>432,720,820</b>
<b>Total Assets</b>	<b>79,439,306,552</b>	<b>79,492,603,992</b>
<b><u>CURRENT LIABILITIES</u></b>		
Payables	6 (11,697,686,549)	(5,075,429,361)
	<b>(11,697,686,549)</b>	<b>(5,075,429,361)</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Contingent Liabilities	7 -	(161,949,500)
Energy Consumption Account	8 (5,395,838,441)	(168,403,314)
<b>Total Liabilities</b>	<b>(17,093,524,990)</b>	<b>(5,405,782,175)</b>
<b>NET ASSETS</b>	<b>62,345,781,562</b>	<b>74,086,821,817</b>
<b>41 <u>NET ASSETS</u></b>		
Long Term Loan	9 80,656,142,419	79,319,519,154
Accumulated Fund	10 (19,417,585,019)	(6,086,052,620)
Capital Grant	11 1,107,224,162	853,355,283
	<b>62,345,781,562</b>	<b>74,086,821,817</b>

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**SOLE ADMINISTRATOR/CEO**  
 FRC/2022/PRO/DIR/008/25725

**HEAD (FINANCE & ACCOUNT)**  
 FRC/2021/001/25244

The Accounting Policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts.

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<u>CODE</u>	NOTES	2021 N	2020 N
<b>1</b>	<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
	Internally Generated Revenue	4,764,800	21,534,136
	<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		
	Other Revenue	102,008,384	111,695,409
	Overhead Subvention	63,836,899	38,259,758
	Personnel Subvention	3,767,245,417	3,963,121,497
210201	Special Loan Subvention	1,341,480,809	-
	Hazard, Medical Shift & Overtime (Arrears)	-	800,536,000
	<b>Total Revenue</b>	<b>5,279,336,309</b>	<b>4,935,146,800</b>
<b>2</b>	<b><u>EXPENDITURE</u></b>		
21	Personnel Cost	3,768,843,898	3,978,372,669
220205	Training and Development	5,378,880	1,159,050
220210	Administrative Expenses	259,374,287	994,234,190
220209	Financial Charges	61,781	126,008
2401	Depreciation	57,594,604	65,375,941
	Constituency Projects	128,830,769	
	<b>Total Expenses</b>	<b>4,220,084,219</b>	<b>5,039,267,858</b>
	Surplus/(Deficit) during the year	1,059,252,090	(104,121,058)
	Tax paid(KGIRS)	(1,341,480,809)	-
	Surplus After Tax( Deficit)	<b>(282,228,719)</b>	<b>(104,121,058)</b>

The Accounting Policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts.

**AJAKUTA STEEL COMPANY LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2021**

<u>DESCRIPTIONS</u>	CAPITAL GRANTS N	LONG TERM LOAN N	ACCUMULATED FUND N	TOTAL N
Opening Balance	853,355,283	79,319,519,154	(6,086,052,620)	74,086,821,817
Opening Balance Restated	<b>853,355,283</b>	<b>79,319,519,154</b>	<b>(6,086,052,620)</b>	<b>74,086,821,817</b>
Loan Repayment Surplus/(Deficit) during the year	-	(4,857,544)	(282,228,719)	(4,857,544) (282,228,719)
	<b>853,355,283</b>	<b>79,314,661,610</b>	<b>(6,368,281,339)</b>	<b>73,799,735,554</b>
Addition During the Year	253,868,879	1,341,480,809	-	1,595,349,688
	<b>1,107,224,162</b>	<b>80,656,142,419</b>	<b>(6,368,281,339)</b>	<b>75,395,085,242</b>
Adjusted Balance During the Year	-	-	(13,049,303,680)	(13,049,303,680)
	<b>1,107,224,162</b>	<b>80,656,142,419</b>	<b>(19,417,585,019)</b>	<b>62,345,781,562</b>

**AJAOKUTA STEEL COMPANY LIMITED**  
**STATEMENT OF CASHFLOW**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b><u>CODE</u></b>	<b>2021</b>	<b>2020</b>
	<b>N</b>	<b>N</b>
<b><u>Cashflows from Operating Activities</u></b>		
Internally Generated Revenue	4,764,800	21,534,136
Overhead Subvention	63,836,899	38,259,758
Personnel Subvention	3,767,245,417	3,963,121,497
Hazard, Medical Shift & Overtime (Arrears)	-	800,536,000
21 Personnel Cost	(3,768,843,898)	(3,978,372,669)
220205 Training and Development	(5,378,880)	(1,159,050)
220210 Administrative Expenses	(259,374,287)	(994,234,190)
Constituency Projects	(128,830,769)	
220209 Financial Charges	(61,781)	(126,008)
<b>Increase/Decrease in Operation</b>	<b>(326,642,499)</b>	<b>(150,440,526)</b>
<b><u>Changes in Working Capital</u></b>		
310501 (Increase)/Decrease in Inventories	(894,646)	2,447,958
310601 (Increase)/Decrease in Receivables	71,683,445	(9,836,120)
410401 Increase/(Decrease) in Payables	11,687,742,815	(1,440,254,157)
<b>Net Cashflow from Operating Activities</b>	<b>11,431,889,115</b>	<b>(1,598,082,845)</b>
<b><u>Cashflows from Investing Activities</u></b>		
3201 Purchase of Property, Plant & Equipment	(80,234,028)	(42,684,644)
<b>Net Cashflow from Investing Activities</b>	<b>(80,234,028)</b>	<b>(42,684,644)</b>
<b><u>Cashflows from Financing Activities</u></b>		
Federal Government Grants	253,868,879	147,203,624
Cash Inflow from other Sources	102,008,384	111,695,409
Special Loan	1,341,480,809	-
Loan Repayment	(4,857,544)	-
##### Adjusted Balance During the Year	(13,049,303,680)	1,384,656,458
<b>Net Cashflow from Financing Activities</b>	<b>(11,356,803,152)</b>	<b>1,643,555,491</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		
310201 Cash & Cash Equivalent at the Beginning of the Year	5,321,586	2,788,002
310201 Cash & Cash Equivalent at the End of the Year	173,521	5,321,586

The accounting policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Statement of Compliance and Basis of Preparation – IPSAS 1**

The Ajaokuta Steel Company Limited (ASCL) financial statements have been prepared in accordance and compliance with the International Public-Sector Accounting Standards (IPSAS). The financial statements are presented in Nigeria Naira, which is the functional and reporting currency of the Company and all values are rounded to the nearest thousand (₦000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

### **2. Summary of Significant Accounting Policies**

#### **a) Revenue Recognition**

##### **i) Revenue from Non-Exchange Transactions – IPSAS 23**

#### **Fees, Taxes and Fines**

The Company recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Company and the fair value of the asset can be measured reliably.

#### **Transfers from other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Company and can be measured reliably.

## ii) Revenue from Exchange Transactions – IPSAS 9

### *Rendering of Services*

The Company recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

### *Sale of Goods*

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Company.

### *Interest Income*

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

### *Dividends*

Dividends or similar distributions must be recognized when the shareholder's or the Company's right to receive payments is established.

### *Rental Income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

## **b) Budget Information – IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Company. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Company differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

## **c) Taxes – IAS 12**

### ***Current Income Tax***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### ***Deferred Tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the

extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting 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 deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit.

Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation Company.

### ***Sales Tax***

Expenses and assets are recognized net of the amount of sales tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation Company, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation Company is included as part of receivables or payables in the statement of financial position.

#### **d) Investment Property – IPSAS 16**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

#### **e) Property, Plant and Equipment – IPSAS 17**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### **f) Leases – IPSAS 13**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Company. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Company also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### **g) Intangible Assets – IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

#### **i) Research and Development Costs**

The Company expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Company can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of

expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

## **h) Financial Instruments – IPSAS 29**

### ***Financial Assets***

#### ***Initial Recognition and Measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

#### ***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

#### ***Held-to-Maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

#### ***Impairment of Financial Assets***

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a Company of financial assets is impaired. A financial asset or a Company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a Company of debtors are experiencing significant financial difficulty  
Default
  - or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

## **ii) Financial Liabilities**

### ***Initial Recognition and Measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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

### ***Loans and Borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

## **i) Inventories – IPSAS 12**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Company.

#### **j) Provisions – IPSAS 19**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### ***Contingent Liabilities***

The Company does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### ***Contingent Assets***

The Company does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **k) Nature and Purpose of Reserves**

The Company creates and maintains reserves in terms of specific requirements. Company to state the reserves maintained and appropriate policies adopted.

#### **l) Changes in Accounting Policies and Estimates – IPSAS 3**

The Company recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

#### **m) Employee Benefits – IPSAS 25**

##### **Retirement Benefit Plans**

The Company provides retirement benefits for its employees. Defined contribution plans are post employment benefit plans under which an Company pays fixed contributions into a separate Company(a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

#### **n) Foreign Currency Transactions – IPSAS 4**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**o) Borrowing Costs – IPSAS 5**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**p) Related Parties – IPSAS 20**

The Company regards a related party as a person or an Company with the ability to exert control individually or jointly, or to exercise significant influence over the Company, or vice versa. Members of key management are regarded as related parties and comprise the councilors, the executive mayor, mayoral committee members, the city manager, deputy city manager and senior managers.

**q) Service Concession Arrangements – IPSAS 32**

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**r) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank (CBN) of Nigeria and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

### **s) Comparative Figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

### **t) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1**

The preparation of the Company's financial statements in conformity with IPSAS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g

#### ***Estimates and Assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### ***Useful Lives and Residual Values***

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed

- Availability of funding to replace the asset
- Changes in the market in relation to the asset

### ***Provisions***

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

### **u) Subsequent Events – IPSAS 14**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 31<sup>st</sup> December, 2021.

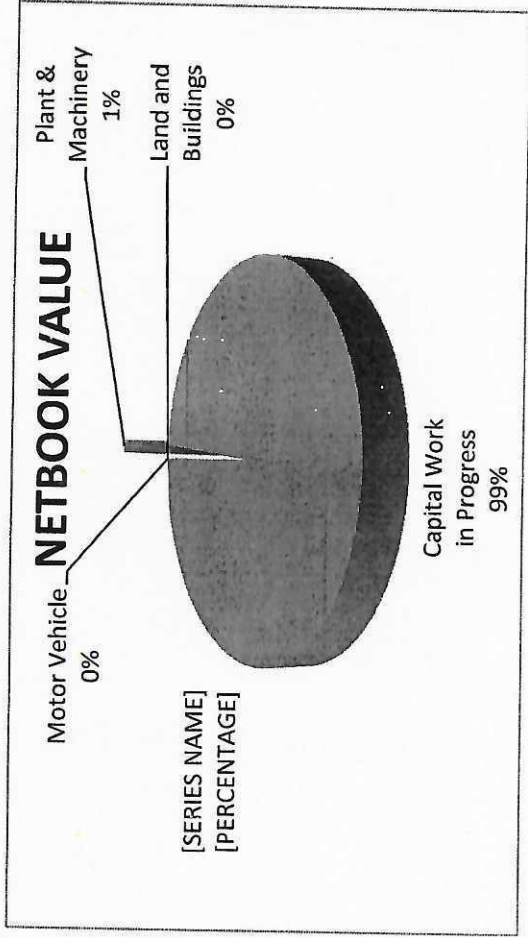
**AJAKUTA STEEL COMPANY LIMITED**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE**  
**YEAR ENDED 31ST DECEMBER, 2021**

**1 NON-CURRENT ASSETS**

Rate	Land and Buildings	Motor Vehicles	Plant & Machinery	Furniture, Fittings & Equipment	Capital Work in Progress	Total
Cost						
At 1 January, 2021	411,065,117	246,844,148	2,629,162,642	646,413,858	78,021,875,904	81,955,361,669
Additions during the year	-	-	60,720,267	19,513,761	-	80,234,028
At 31 December, 2021	<b>411,065,117</b>	<b>246,844,148</b>	<b>2,689,882,909</b>	<b>665,927,619</b>	<b>78,021,875,904</b>	<b>82,035,595,697</b>
Depreciation						
At 1 January, 2021	372,121,738	236,451,008	1,709,490,464	577,415,297	-	2,895,478,507
Charge for the year	57,208	3,457,310	41,438,345	12,641,741	-	57,594,604
At 31 December, 2021	<b>372,178,946</b>	<b>239,908,318</b>	<b>1,750,928,809</b>	<b>590,057,038</b>	<b>-</b>	<b>2,953,073,111</b>
Net Book Value						
At 31 December, 2021	<b>38,886,171</b>	<b>6,935,830</b>	<b>938,954,100</b>	<b>75,870,581</b>	<b>78,021,875,904</b>	<b>79,082,522,586</b>
At 31 December, 2020	<b>38,943,379</b>	<b>10,393,140</b>	<b>919,672,178</b>	<b>68,998,561</b>	<b>78,021,875,904</b>	<b>79,059,883,162</b>

**2 INTANGIBLE ASSETS**

Cost	Accounting Software	Total
At 1 January, 2020	20,919,552	20,919,552
Additions during the year	-	-
At 31 December, 2020	<b>20,919,552</b>	<b>20,919,552</b>
Amortization		
At 1 January, 2020	20,919,542	20,919,542
Charge for the year	-	-
At 31 December, 2020	<b>20,919,542</b>	<b>20,919,542</b>
Net Book Value		
At 31 December, 2020	<b>10</b>	<b>10</b>
	<b>10</b>	<b>10</b>



**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b><u>CODE</u></b>	<b>2021</b>	<b>2020</b>
	<b>N</b>	<b>N</b>
<b>310201 3. <u>CASH AND CASH EQUIVALENTS</u></b>		
Budget Line Fund - Capital	3,202	1,927,928
Budget Line Fund - Overhead	-	-
FBN Plc - Ajaokuta 2010371336	34,394	1,056
GTB ASCL Operational A/C	-	146,743
UBA IMC Overhead A/C 1011690758	135,926	2,652,952
Unity Bank Ajaokuta IMC ASCL 0014851182	-	17,322
UBN Ajaokuta IMC 2 A/C 0025011257	-	8,865
UBN (IMC/COMM) A/C - 0025012546	-	3,681
Zenith Bank IMC O/H 5070084277	-	563,039
	<b>173,521</b>	<b>5,321,586</b>
<b>310601 4. <u>RECEIVABLES</u></b>		
NIOMCO Ltd Itakpe	37,691,084	37,691,084
Interim Management Committee	1,157,567	1,157,567
Nigerian Staff Advances	20,215,012	46,741,955
Other Staff Loans and Advances	-	(36,297)
Sundry Creditors - Contract Labour	13,894,247	13,236,056
Sundry Creditors for Expenses	4,849,070	32,573,326
Sundry Creditors for Purchases	14,649,686	33,382,302
Sundry Creditors for Legal Expenses	600,000	600,000
Cash Imprest	1,111,414	664,179
Salary Related Receivables	158,648	-
	<b>94,326,727</b>	<b>166,010,172</b>
<b>310501 5. <u>INVENTORIES</u></b>		
Stores and Spares	193,857,582	192,962,936
Raw Materials	68,426,126	68,426,126
	<b>262,283,708</b>	<b>261,389,062</b>

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<u>CODE</u>	<u>2021</u>	<u>2020</u>
	N	N
<b>4010441 6. PAYABLES</b>		
Salary Related Liabilities	1,174,705,149	-
Duties & Taxes	62,296,131	-
Sundry Creditors - Contract Labour	57,679,617	78,363,602
Sundry Creditors for Expenses	23,156,616	27,405,700
Sundry Creditors for Purchase	10,169,561,537	4,767,269,702
Sundry Creditors for Legal Expenses	186,449,500	186,449,500
Cash Imprest	2,503,267	1,634,155
Nigerian Staff Advances	20,161,031	14,306,702
Other Staff Loans & Advances	76,296	-
Pension Fund Administrator	1,097,405	-
	<b>11,697,686,549</b>	<b>5,075,429,361</b>
 <b><u>7. CONTINGENT LIABILITIES</u></b>		
External Solicitors	-	161,949,500
	-	<b>161,949,500</b>
 <b><u>8. ENERGY CONSUMPTION ACCOUNT</u></b>		
Energy Consumption Account	5,395,838,441	168,403,314
	<b>5,395,838,441</b>	<b>168,403,314</b>
 <b><u>9. LONG TERM LOAN</u></b>		
Balance B/F 1/1/2020	79,319,519,154	79,319,519,154
Loan Repayment	(4,857,544)	-
Special Loan	1,341,480,809	-
Balance C/F 31/12/2021	<b>80,656,142,419</b>	<b>79,319,519,154</b>
 <b>430201 10. ACCUMULATED FUND</b>		
##### Balance Brought Forward	(6,086,052,620)	(7,366,588,020)
Surplus/(Deficit) during the year	(282,228,719)	(104,121,058)
Adjusted Balance During the Year	(13,049,303,680)	1,384,656,458
<b>Accumulated Surplus/Deficit</b>	<b>(19,417,585,019)</b>	<b>(6,086,052,620)</b>
 <b>430101 11. CAPITAL GRANTS</b>		
##### Balance Brought Forward	853,355,283	706,151,659
Received during the year	253,868,879	147,203,624
	<b>1,107,224,162</b>	<b>853,355,283</b>

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b><u>CODE</u></b>	<b>2021</b>	<b>2020</b>
	<b>N</b>	<b>N</b>
<b><u>12. INTERNALLY GENERATED REVENUE</u></b>		
Internal Generated Revenue (IGR)	4,764,800	21,534,136
	<b>4,764,800</b>	<b>21,534,136</b>
<b><u>13. OTHER REVENUE</u></b>		
ASCL Schools Admin A/c	5,500,000	1,000,000
ASCL Medical Schools Services A/c		600,000
Misc Income: Contr Reg Fees & Other Charges	698,000	620,000
Misc Income: Electricity Bill		2,000
Misc Income: Guest Houses and Catering Services	100,000	128,340
Misc Income: House Rent	-	-
Misc Income: Other Rent	60,000	200,000
Misc Income: Other Services		350,000
Misc Income: Repair Services (Engr Works)	533,630	-
Misc Income: Salaries in Lieu of Notice	127,410	833,153
Misc Income: Sales of Forms (Accom & T/S)		17,000
Rent Received From Staffs	9,384,366	8,882,372
Misc Income: Other Service		
Staff Utilities Deduction	81,704,978	77,480,724
Misc Income: Surcharge of Consumable Equip.	3,900,000	19,000,000
Insurance Claim Received	-	2,578,820
Misc Income: Hiring of Transport Equipments	-	3,000
	<b>102,008,384</b>	<b>111,695,409</b>
<b><u>14. OVERHEAD SUBVENTION</u></b>		
Federal Government Allocation Received	63,836,899	38,259,758
	<b>63,836,899</b>	<b>38,259,758</b>
<b><u>15. PERSONNEL SUBVENTION</u></b>		
Federal Government Allocation Received	3,767,245,417	3,963,121,497
	<b>3,767,245,417</b>	<b>3,963,121,497</b>
<b><u>16. SPECIAL LOAN</u></b>		
Fed. Govt Alloc Rec'd In settlement to KGIRS Tax Liabilities	1,341,480,809	-
	<b>1,341,480,809</b>	-

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b><u>CODE</u></b>	<b>2021</b>	<b>2020</b>
	<b>N</b>	<b>N</b>
<b>17. CAPITAL SUBVENTION</b>		
Federal Government Allocation Received - Capital	253,868,879	-
	<b>253,868,879</b>	-
<b>17. HAZARD, MEDICAL SHIFT &amp; OVERTIME (ARREARS)</b>		
Federal Government Allocation Received - PSW	-	800,536,000
	-	<b>800,536,000</b>
<b>18. PERSONNEL COST</b>		
Staff Salaries	3,767,245,417	3,963,121,498
Temporary Staff Salaries	1,405,000	14,911,355
Arrears of Peculiar Allowance	193,481	339,816
	<b>3,768,843,898</b>	<b>3,978,372,669</b>
<b>19. TRAINING AND DEVELOPMENT</b>		
Conference, Seminars and Training	5,378,880	1,159,050
	<b>5,378,880</b>	<b>1,159,050</b>
<b>20. ADMINISTRATIVE EXPENSES</b>		
Advertising & Business Promotions	550,000	813,000
Ajaokuta Comm. Liason office Allowance	750,000	750,000
Bill Board, Recreation and Sport Expenses	-	-
Calibration of Equipments	-	-
Catering and Staff Welfare Expenses	399,380	891,490
Cleaning, Environmental Sanitation and Pest Control	17,429,573	11,983,030
Consumable - Electrical	6,657,089	178,950
Consumable - General	518,292	36,572,680
Consumable - Engr. Works	-	158,500
Consumable - Chemicals and Insecticides	21,370,000	-
Land Survey Expenses	149,890	-
Decoration and Beautification Expenses	-	50,000
Donation and Gifts	2,670,000	7,975,000
Electricity Bills (PHCN)	624,110	279,000
Entertainment Expenses	9,626,666	6,392,310
Fuel & Lubricant	10,678,239	4,179,844
Gas for Plant	94,020	44,517
	<b>71,517,259</b>	

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b><u>CODE</u></b>	<b>2021</b>	<b>2020</b>
	<b>₦</b>	<b>₦</b>
Hiring of Equipments & materials	-	-
Loan Refund to ASCL Medical Schools Services A/c	-	-
Medical Drug Account	-	-
Hotel Accommodation	-	3,044,000
Information Technology Related Expenses	162,000	350,500
Port Clearance Fees	-	7,104,000
Legal Expenses	540,000	100,000
Newspapers, Books, Journals and Magazines	100,000	-
Photo & Video Coverage Expenses	2,035,500	120,000
Kilometer and Disengagement Allowance	-	-
Postages, Telephone and Cables	3,847,420	1,060,300
Printing and Stationary	3,454,142	3,047,175
Professional & Consultancy Services	956,610	-
Rent and Rate	37,401,000	-
Licence and Operation Fees	-	-
Security Expenses	63,527,756	43,800,601
Soft Office Materials	23,500	276,000
Staff Burial Expenses	50,000	1,920,000
Staff Medical Expenses	-	410,000
Staff Hazard Allowance	-	337,808,136
Staff Leave Allowance	35,118	-
Staff Medical Allowance	-	335,798,635
Staff Welfare and Insurance	211,502	2,233,343
Staff Overtime	-	1,897,846
Staff Shift Allowance	-	30,737,233
Subscriptions	-	521,400
Water Rate	105,661	40,000
Transportation Expenses/Logistics Expenses	528,000	469,000
Travelling Expenses (Local)	32,312,873	13,869,725
Travelling Expenses (Oversea)	-	2,068,000
Household Items - Ajaokuta	-	1,760,500
Uniform and Safety Wears Expenses	-	119,325
NYSC Allowance	195,000	-
Staff Biometric Verification	9,040,378	-
Repairs and Maintenance (Note 20.1)	16,690,390	39,052,915
Thermal Power Plant (Note 20.2)	-	32,591,630
Labour Cost (Note 20.3)	16,640,179	63,765,604
	<b>259,374,287</b>	<b>994,234,190</b>

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

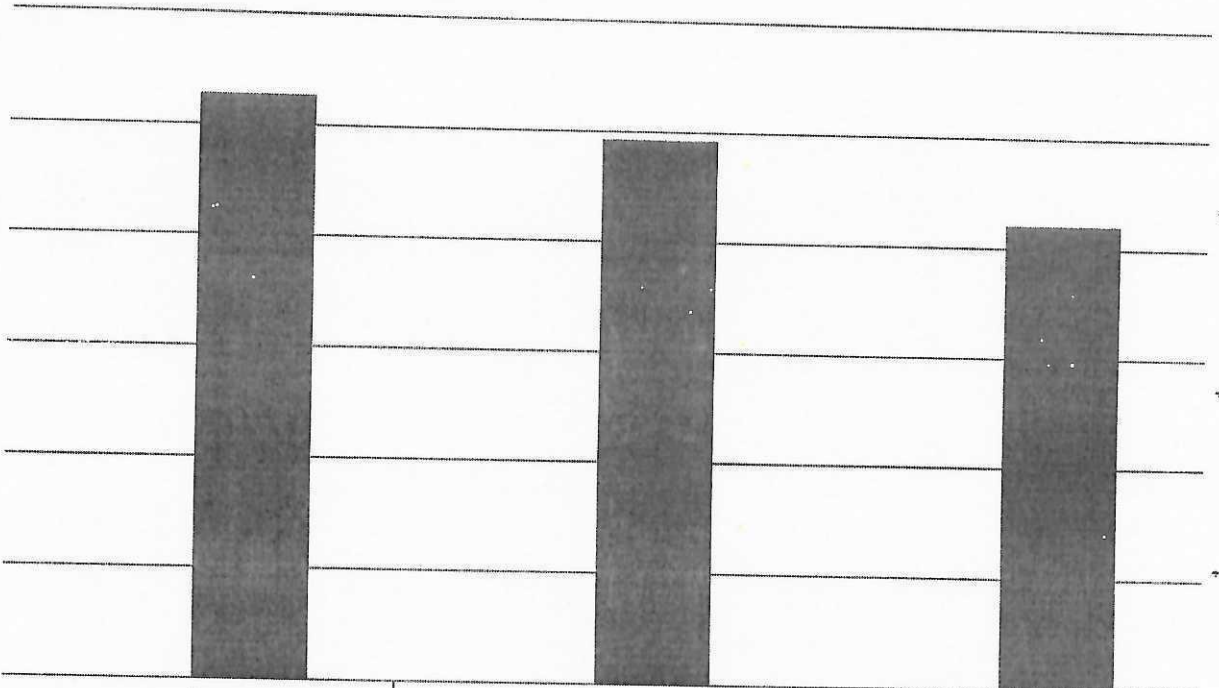
<u>CODE</u>	2021 N	2020 N
<b><u>20.1 REPAIRS AND MAINTENANCE</u></b>		
Repair and Maintenance - General	2,128,250	5,487,000
Repair and Maintenance - Power Plant	750,000	13,865,000
Repair and Maintenance - Furniture & Fittings	13,500	400,000
Repair and Maintenance - Electrical	159,640	81,100
Repair and Maintenance - Motor Vehicles/Cycle	2,810,880	3,877,725
Repair and Maintenance - Office Building	8,155,565	481,700
Repair and Maintenance - Office Equipment	158,100	355,650
Repair and Maintenance - Plant & Machinery	540,000	2,500,000
Repair and Maintenance - Residential Building	684,655	400,000
Repair and Maintenance - Residential Equipments	116,750	-
Repair and Maintenance - Water Supply Facilities	1,173,050	11,604,740
Repair and Maintenance - Telecom Equipment	-	-
Repair and Maintenance - Factory Equipments	-	-
	<b>16,690,390</b>	<b>39,052,915</b>
<b><u>20.2 THERMAL POWER PLANT</u></b>		
Consumables: Power Plant - Electrical	-	19,585,030
Consumables: Power Plant - General	-	6,856,600
Consumables: Power Plant - Lubricant	-	6,150,000
	-	<b>32,591,630</b>
<b><u>20.3 LABOUR COST</u></b>		
Labour Cost: Abuja Office	-	4,242,300
Labour Cost: Commerce	-	2,728,000
Labour Cost: Engr. Works	1,724,404	3,614,758
Labour Cost: Finance	-	6,173,200
Labour Cost: Guest House/Catering	-	175,950
Labour Cost: Lagos Liason Office	240,000	678,000
Labour Cost: LSM	-	2,649,895
Labour Cost: MD/CEO	-	6,030,651
Labour Cost: Plant Site Admin Welfare Building	12,900,896	13,557,550
Labour Cost: Security	-	7,144,525
Labour Cost: STA	-	7,620,985
Labour Cost: Transport	-	477,690
Labour Cost: Utilities	1,714,879	6,717,640
Labour Cost: Gen. Admin	-	1,954,460
Labour Cost: General	60,000	-
	<b>16,640,179</b>	<b>63,765,604</b>

**AJAOKUTA STEEL COMPANY LIMITED**  
**NOTES TO THE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

**CODE**

	2021	2020
	N	N
<b>220209 21. <u>FINANCIAL CHARGES</u></b>		
##### Bank Charges ( VAT, COT, INT)	61,781	126,008
	61,781	126,008
<b>2401 22. <u>DEPRECIATION</u></b>		
2.4E+07 Land and Buildings	57,208	57,208
2.4E+07 Motor Vehicles	3,457,310	15,344,810
2.4E+07 Plant and Machinery	41,438,345	41,159,893
2.4E+07 Furniture, Fittings & Equipment	12,641,741	8,814,030
	57,594,604	65,375,941

## ANALYSIS OF THREE (3) YEARS REVENUE



	1	2	3
Series1	2021	2020	2019
Series2	5,279,336,309	4,935,146,800	4,204,207,346

## ANALYSIS OF 2021 EXPENDITURE

- Personnel Cost
- Training and Development
- Administrative Expenses
- Financial Charges
- Depreciation
- Constituency Project

